هكذا من الاصلية

International Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper R Paris, Friday, September 19, 1997 No. 35,630

TODAY: LEISURE Two Faces of Antwerp Page 10

مكتبة الجامعة الاردنية

While Kohl Touts New Currency, Many Germans Cry: 'Not Again!'

By Roger Cohen
New York Times Service

MOSBURG, Germany — Franz Schmid is old enough to have suffered his share of European upheaval, and now, as the century wanes, he is convinced that the Continent is on the brink of another disaster, one that will wipe out all he has slowly built from the ruins of Hitler's war.

A retired hairdresser with a solid house beside a Bavarian brook, Mr. Schmid experienced the inflationary chaos that gave Hitler his start.

He was drafted into the German Army and captured on the Russian front.

When he put his life together after 1945, rising early, never taking a vacation, it was the rock-solid German mark that measured his passage to a modest affluence.

His conclusion: Play with currencies and you play with fire. So, like about 60 percent of his fellow Germans, he is alarmed by a plan to ditch the world's second-largest reserve currency, the

First of two articles

Deutsche mark, and use a new money to change Europe.

"The mark is part of us," Mr. Schmid said. "What do we need a worthless new money for?"

But several European governments — including Germany's — are moving ahead with plans to scrap their national currencies and replace them with a single money, the euro, by 1999. They are set to impose the currency on restive, sometimes openly hostile, citizens, for whom union has become synonymous with stagnation and sacrifice. The political risk is enormous.

That risk is being taken with a bold aim: to forge greater European unity in an attempt to arrest the Continent's relative decline in an American-dominated world.

"There is nothing more political than money," said Richard Descoings, director of the French Institute of Political Studies. "Once each person has a euro in his pocket, the money will unite us as Americans are bound by the dollar."

But this has been a lousy decade in Europe. Unemployment is at levels not seen since the 1930s. Over the last five years, growth averaged little more than 1 percent, less than half the U.S. level. The globalization embraced by the United States has struck fear into the European soul; war in Bosnia has shaken the Continent.

For some time now, Europe has labored under a dread conviction that Asia is rising, America roaring along, while the old Continent sleeps amid its predatory ghosts.

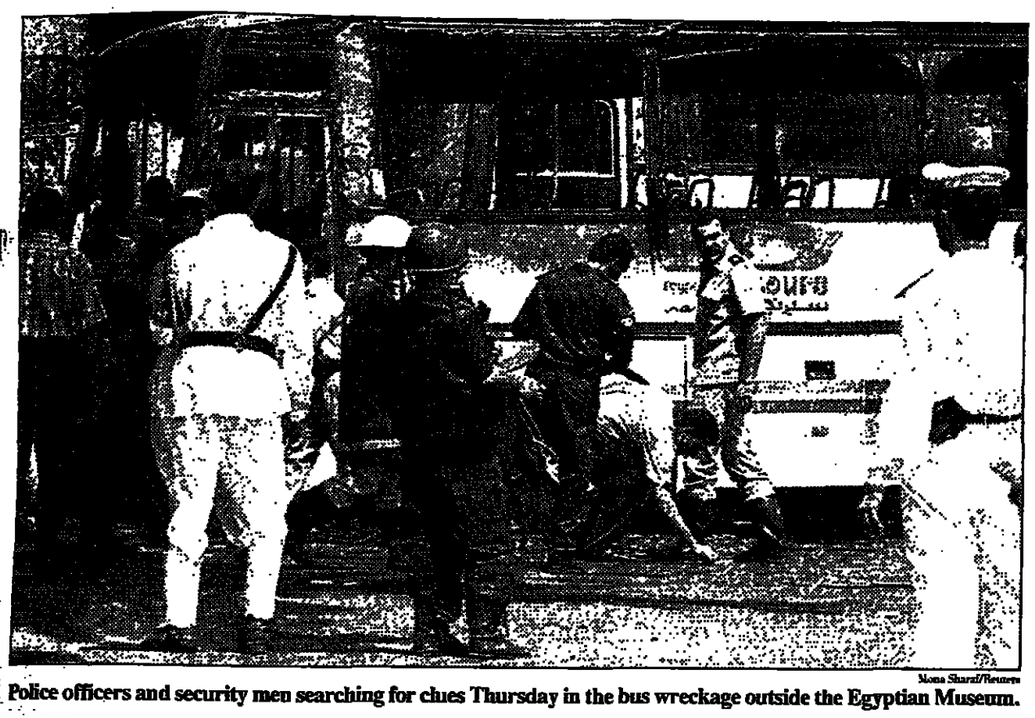
The euro is potent medicine for this malaise.

Each country that joins the common currency will surrender part of its national sovereignty by turning over key economic decisions to a European Central Bank in Frankfurt. This bank will set interest rates and impose a fiscal discipline so strict that a profound reshaping of Europe's costly welfare state appears inevitable.

In the United States, too, there is a broad push to reshape welfare programs. But Europe is a customs union, not a country, and the cuts in spending required by adoption of the euro result from the planning of faceless central bankers rather than an election in which one vision for the future has trumped another.

Skeptics worry that the architects of the euro are inviting disaster by imposing a single economic policy on diverse countries with vastly differing traditions, national identities and eco-

See EURO, Page 7



Mona Sharif/Reuters

Police officers and security men searching for clues Thursday in the bus wreckage outside the Egyptian Museum.

10 Die in Cairo Attack on Tourist Bus

By Douglas Jehl
New York Times Service

CAIRO — A gasoline bomb exploded Thursday in a tour bus outside the Egyptian Museum, killing the Egyptian driver and nine tourists, at least six of them Germans, and starting a gun battle.

The midday attack in Tahrir Square, near the heart of the Egyptian capital, occurred just as tourists have begun to surge back to Egypt after years in which many stayed away because of a campaign of violence waged by Islamic militants.

Egyptian officials were quick to insist that they had seen no evidence to connect the attack Thursday to that violent campaign, suggesting instead that it was an act by a mentally unbalanced person.

They announced the arrests of two men in the bombing, including one who, the police said, escaped three days earlier from an asylum and another who was his brother.

Neither was known to be a member of a militant Islamic group, the police said.

But some witnesses insisted that they had seen three or even four armed attackers, all of them wearing casual clothes.

Before nightfall, the Egyptian authorities also erected roadblocks on routes heading southward from Cairo in an apparent effort to intercept anyone who might be fleeing the capital to regions further up the Nile that have long been the militants' stronghold.

The main suspect, Saber Mohammed Farahat, had been institutionalized since he murdered two American businessmen and a Frenchman as they ate dinner in a luxury hotel in Cairo in 1993.

Egyptian authorities described him at the time as a mentally disturbed musician, but some security officials also said that he had shown sympathies toward the Islamic militants who have waged a violent war against Egypt's mostly secular government since 1992.

His brother, Mahmoud Mohammed

See CAIRO, Page 6

China Shake-Up Strengthens Jiang

Removal of No. 3 Official Seen as Setback for Reformers

By Steve Mufson
Washington Post Service

BEIJING — In a major leadership shake-up, the Chinese Communist Party has forced the removal of four members of the Politburo, including the head of the national legislature and the nation's top military officer.

Striking a blow to the hopes of political reformers, the name of Qiao Shi, who had been the party's No. 3 official, failed to appear on the list of the new 192-member Central Committee elected Thursday at the close of a weeklong party congress. Analysts said they believed that Mr. Qiao, the National People's Congress chairman, who has championed the "rule of law," lost a power struggle to retain his post at the legislature and resigned rather than accept a demotion.

The moves appeared to be victories for Jiang Zemin, China's president and Communist Party chief, who is now rid of two of his leading critics and who secured positions on the party's Central Committee for some of his closest allies, including two aides and the mayor of Shanghai.

The reshuffle also enhanced the likelihood that Prime Minister Li Peng, who is barred from serving a third term, would become head of the national legislature, which has been home to his most vocal critics.

"It's like a minor earthquake on the Chinese political scene," said Wang Chi, a professor at Georgetown University in Washington who has frequently met with Mr. Qiao and other Chinese leaders. "Jiang has pretty much got what he wanted. This is a victory for him."

Though Mr. Qiao's fall makes Mr. Jiang even more central to the party leadership, many analysts said they were worried that it might upset the balance in what has been seen as a coalition leadership.

"It's flabbergasting," said a leading Western scholar working in Beijing when told of Mr. Qiao's ouster. "For someone of such stature opting to be out of the inner core does raise potential concerns about instability. You've got a major player who's not at the very center of power. So where does his group articulate its views?"

Mr. Wang added: "This is a very serious warning for other people who have different ideas and approaches. If Qiao can be removed like that from the Central Committee, what does that mean for others? This shows that you better follow the party line or you're going to be out, too."

Sources said that Mr. Qiao, 72, who joined the party when it was still underground in the 1940s and later served as head of the national intelligence apparatus, had recently been pressing for a revision of the party's condemnation of the Tiananmen Square protests in 1989 that ended in a military crackdown on the demonstrators. Mr. Qiao was also lobbying to keep his position at the head of the legislature, or make sure it went to one of his leading supporters.

Mr. Qiao's absence from an important speech by Mr. Jiang in May at the central party school was widely inter-

See PARTY, Page 6

Market Plan Wins Praise In Washington

By Alan Friedman
International Herald Tribune

HONG KONG — The United States on Thursday hailed China's plans to liberalize its economy and sell off shares of state-owned enterprises, calling the moves "significant" and "very constructive."

"They have announced significant reforms," said Treasury Secretary Robert Rubin, commenting for the first time on the announcement made last week by President Jiang Zemin that Beijing plans to allow share offers, mergers and bankruptcies as instruments that will pave the way to the liberalization of state-owned enterprises.

"The kind of reforms announced in Beijing, especially the plan to let state-owned enterprises go to a commercial basis, are very constructive," Mr. Rubin said Thursday in a telephone interview from Seattle. He was there on a

See RUBIN, Page 6

U.S. to Clear Beijing Over Nuclear Sales

By John Pomfret
Washington Post Service

WASHINGTON — The Clinton administration has told Congress that it is preparing to certify that China has stopped exporting technology related to nuclear weapons to such countries as Pakistan and Iran, congressional sources say.

The certification would allow such U.S. energy giants as Westinghouse Corp. and General Electric Co. to sell U.S. nuclear power technology to China for the first time.

The certification could be the keystone of the coming meeting between President Bill Clinton and President Jiang Zemin of China, said a U.S. official who spoke on condition of anonymity. The visit to the United States by Mr. Jiang, scheduled for late October, will mark the first China-U.S. summit meeting in eight years and is heralded as an important test of Washington's improving ties with Beijing.

An agreement on nuclear technology is crucial to a successful meeting because other concrete accords, such as a deal on China's membership in the World Trade Organization, will not be ready for Mr. Jiang's visit, another U.S. official said.

Securing permission to buy U.S. nuclear technology and U.S. certification that Beijing is no longer selling technology related to nuclear weapons would also mark a significant political and economic victory for China and for those U.S. energy companies engaged in a fierce lobbying campaign to sell goods there.

But several experts on nuclear proliferation said that the certification, the first such step by a U.S. administration in 12 years, was being issued hastily and could harm U.S. national security. While many agree that China has halted egregious violations of the Nuclear Nonproliferation Treaty, which it signed in 1992, Prime Minister Li Peng signed regulations for the export of nuclear technology only this month, and experts said that it was unclear whether the Chinese government had the capacity or willingness to enforce them.

In closed meetings with House members and aides last week and Senate staff members Tuesday, Robert Einhorn, deputy assistant secretary of state for nonproliferation, said that China had made strides in its efforts to cease selling technology related to nuclear weapons, participants said.

While Mr. Einhorn stopped short of saying that Mr. Clinton would certify that China has ceased all such activity,

See TECHNOLOGY, Page 6

White House Entry

'Contributions Gave Me Access,' Investor Says of Gifts to Democrats

By Brian Knowlton
International Herald Tribune

WASHINGTON — A top donor to the Democratic National Committee candidly told senators Thursday that he thought that his contributions had gained him access to the White House.

The testimony followed dramatic testimony from a former National Security Council adviser that officials of the CIA, the Democratic committee and the Energy Department had pressed her to grant White House access to the donor, despite troubling questions about his background.

The donor, Roger Tamraz, an international investor who was seeking U.S. support for his plan to build an oil pipeline from the Caspian Sea, was unapologetic in his testimony to a Senate committee investigating campaign finance abuses.

"I did believe my contributions gave me access," he said. Achieving access, he added without prompting, was "the only reason" for the donations.

He acknowledged, under questioning from the committee's chairman, Fred Thompson of Tennessee, that he had been able to meet with officials of the National Security Council, the Central Intelligence Agency, the Energy Department, the Export-Import Bank and the Overseas Private Investment Corp.

He also met with Vice President Al Gore and was able to briefly discuss his pipeline proposal with President Bill Clinton.

Asked by a senator whether he had gotten his "money's worth" for the $300,000 he donated to various Democratic Party groups, even though the pipeline was not built, he replied, "I think next time I'll give $600,000."

The remark brought laughter from the crowded hearing room. But several senators, both Republicans and Democrats, made it plain that they were angered by what, at least in Mr. Tamraz's understanding, was a clear swap of money for access.

Chris Kleponis/Agence France-Presse

Roger Tamraz at the Senate hearing Thursday.

"It's the open sale of access," said Carl Levin, Democrat of Michigan. "It's wrong, it ought to be changed."

Mr. Tamraz's testimony, taken with an emotional account Wednesday by Sheila Heslin, the former National Security Council aide, of what she said had been heavy pressure to reverse earlier policy and grant Mr. Tamraz a White House hearing, appeared to have galvanized what at times have been slow-moving hearings, and appear likely to increase pressure on the administration for explanations.

But administration officials continued to deny that the pressure Ms. Heslin said she had felt had originated with them.

And there is still no proof that the administration went beyond granting a hearing to donors like Mr. Tamraz and

See ACCESS, Page 6

AGENDA

Jews to Quit House In East Jerusalem

Moving to end a dangerous challenge to already strained Arab-Israeli talks, three families of settlers who moved into a house in an Arab section agreed to a deal with Prime Minister Benjamin Netanyahu to leave. But their compromise terms for leaving were that the residence, which was purchased by an American, Irving Moskowitz of Miami, be turned over to religious students as a yeshiva. Palestinians angrily rejected the proposed compromise as a further deliberate intrusion into the Old City of Jerusalem. Palestinians look upon East Jerusalem as the logical site for the capital of the independent state they want in the territory. Page 6.

Reuters

RED SKELTON DIES — The American comedian's career spanned vaudeville to TV. Page 3.

The Dollar

New York	Thursday @ 4 P.M.	previous close
DM	1.7796	1.7724
Pound	1.6115	1.6013
Yen	121.935	120.90
FF	5.9775	5.951

The Dow

	Thursday close	previous close
+36.28	7922.72	7886.44

S&P 500

change	Thursday @ 4 P.M.	previous close
+4.43	947.42	942.99

PAGE TWO
Miss Clinton Goes to College

Books ..... Page 11.
Crossword ..... Page 22.
Opinion ..... Pages 8-9.
Sports ..... Pages 22-23.
Sponsored Section RUSSIA ..... *Pages 20-21.*
The Intermarket ..... *Pages 4 and 12.*

The IHT on-line www.iht.com

Newsstand Prices			
Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 QR
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

U.S. Takes Heat for AIDS Experiments on Third World Women

By Sheryl Gay Stolberg
New York Times Service

WASHINGTON — For the past two years, the United States has been conducting experiments on pregnant women infected with HIV in Africa, Thailand and the Dominican Republic, in which some women are given drugs that can prevent transmission of the deadly AIDS virus to their babies and some receive only dummy pills.

The studies are so controversial that even some U.S. government scientists have questioned whether they are ethical. Now, one of the nation's most prestigious medical journals has thrown a spotlight on the research, with an editorial that likens it to the notorious Tuskegee experiment, in which poor black men suffering from syphilis were left untreated earlier this century.

The AIDS studies, which involve 12,211 women in seven countries, aim to help the developing world find a cheap, effective method of preventing transmission of HIV to babies. The research is based on one of the most dramatic discoveries of the AIDS epidemic: that women who take the drug AZT during pregnancy can cut the risk of transmission by two-thirds.

But the drug regimen, as used in the United States, costs about $1,000 per mother, so public health officials want to know if there are less expensive ways to use AZT to achieve the same benefit. Half the foreign women in the experiments receive AZT, at varying levels that differ from the amounts used in the United States. The other half get the placebo. Critics say that as a result more than 1,000 infants will contract the AIDS virus when it could have been prevented.

"We have turned our backs on these mothers and their babies," complained Dr. Peter Lurie of Public Citizen, an advocacy group.

Federal officials counter that the use of dummy pills is the only way to get a quick, reliable result, and that it is not depriving women of therapy they would

See AIDS, Page 6

An Empty Nest / **Chelsea Goes to College**

Ready but Reluctant, the Clintons Send Their Daughter Into the World

By James Bennet
New York Times Service

WASHINGTON — The first time Bill Clinton tried to steel her for the peculiar life ahead of them, his little girl cried.

Still, night after night over dinner with his small family, Mr. Clinton kept at it, saying ugly things about himself to Chelsea, then 6 years old, to ready her for what she might hear during his race for re-election as governor of Arkansas.

But while the Clintons painstakingly prepared Chelsea for the outside world, they seem less prepared themselves to let her go.

Wednesday, when asked how he was coping with his daughter's imminent departure for college, the president could just shrug helplessly. "There's nothing I can do about it now," he said simply. "That's what you raise them for. I'm happy and sad at the same time."

After 17 years of careful training — of family breakfasts and three-handed pinochle games, of father-daughter algebra sessions and mother-daughter walks, of awkward softball games and fluid Nutcracker performances — Bill and Hillary Rodham Clinton are about to send their only child into the world on her own.

For the first time since she was 2, Chelsea Victoria Clinton — a constant if publicly silent presence as her father's political career soared — is about to move out of public housing.

After flying to California on Thursday on Air Force One, Chelsea will move into a dormitory at Stanford University, where she will — roommate, Secret Service and all — try to live as much like a normal freshman as she can.

What this will mean for Chelsea, and for the parents she leaves behind, is the subject of alternately excited and worried speculation among White House staff and the Clintons' friends, who marvel at the amount of time the first family has managed to spend as a threesome. Chelsea, they say, will do just fine — although, paradoxically, the White House has proved in many ways a shelter for her. But her parents may be in for some lonely time.

"Most of the time, I'm wondering why I ever agreed to let her skip third grade," Mrs. Clinton wrote in a syndicated column this week.

David Leopoulos, one of Mr. Clinton's best friends since grade school, sat down Wednesday to write him a letter, which he planned to fax to the president's private line. He described how hard it was for him to drop his oldest child, Thaddeus, at Rice University in August.

"It just becomes a temporary address," Mr. Leopoulos said of the family home. "That's a big shocker to you. It gives me goose bumps every time I say it."

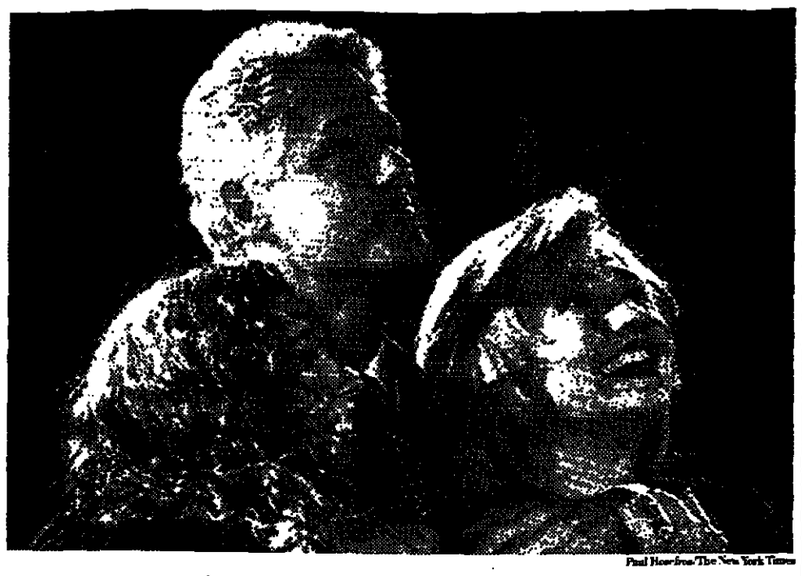
He did not advise the president on how to cope, Mr. Leopoulos said. "He doesn't need all that psychological crap. He just needs someone else to empathize with."

Other friends of the first family said that, like all parents sending children off to college, the Clintons cannot anticipate how they will feel.

"They've made all the logistical preparations, they've figured out how to stay in touch," said Diane Blair, a longtime friend of the Clintons who has watched her own five children go off to college. "But when the door isn't slamming when the kid comes home in the afternoon — you aren't ready for it. It's a real empty feeling."

ALTHOUGH they have gone to great lengths to shield and even hide Chelsea, the Clintons have not entirely foregone the political advantages of a close-knit family, and even some of the Clintons' harshest political critics admire their success as parents.

At the Democratic National Convention a year ago, Mr. Clinton reflected in a videotaped presentation on Chelsea's departure for college: "We have maintained a level of personal intimacy with Chelsea that I am very proud of, and pleased by, and very, very grateful for," he said. "I'm going to miss her when she's gone."



Paul Hosefros/The New York Times

At an election night rally last year in Washington. The Clintons have tried to prepare their daughter for the ugly side of the real world.

As in any family, Chelsea's departure will mean a dramatic change in the Clinton's routine. For four years, White House aides have plotted the Clintons' schedules against the schedule of Sidwell Friends, where Chelsea went to high school. Mrs. Clinton is a fixture at Chelsea's ballet recitals, and Mr. Clinton's aides have become used to him interrupting meetings when she phones.

"It was not like the speaker or Dick Gephardt," recalled Leon Panetta, the former White House chief of staff. "She had a pretty direct line, and he would immediately pick it up."

And at the president's urging, his aides have routinely blocked out an hour, from 8 to 9 P.M., for the family dinner, if necessary scheduling presidential appointments after that.

While they might be on a sentimental journey familiar to many parents, the Clintons have had much more to worry about than the color of their child's towels (although her mother fussed over that one) and whether she would eat well (not much of a concern, since Chelsea has never shared her father's yen for greasy hamburgers).

IN HER COLUMN, Mrs. Clinton fretted that at college, Chelsea might be vulnerable to prying reporters. She recalled her own "caffeine-fueled all-nighters during finals" and "long walks through city streets or across campus that ended in a tender moment with a handsome new boyfriend."

"I can't imagine having any of those private experiences, all part of finding myself, being interrupted by the bright lights of cameras," she wrote.

Past and present White House officials compliment the White House press for honoring her privacy. "It's not inconceivable you could have had a Diana-type situation of people staking out the malls downtown," said George Stephanopoulos, a former White House adviser.

But, he said, as Chelsea strikes out on her own as a young adult, some news organizations may use that as a pretext to begin scrutinizing her.

The White House has been working with Stanford to try to blend Chelsea into campus life. Stanford spokesmen primly inform reporters that they will say nothing about her because they "respect the privacy of our students."

Carolyn Sleeth, editor of The Stanford Daily, says her staff will not write about Chelsea unless she distinguishes herself somehow.

Ms. Sleeth, who said that the White House had not tried to influence her, has threatened to fire paid staff who provide national news organizations with information about Chelsea, and she has discouraged her other contributors from doing so. "Every student deserves a private life," she said.

Peter G. Catranis
Forex & Futures Specialist

Are You Prepared ?
1997 & 1998 Will Generate Major Currency Moves.
These moves will directly affect the value of your Portfolio. Prepare yourself to take advantage of these moves by calling today.

SUPERIOR	Selection of Managed Accounts
OUTSTANDING	Global Currency Analysis
EXCEPTIONAL	Execution Forex or Futures
MINIMUMS	$10,000 to $5,000,000 (USD)
COMMISSION	2-5 FX Spreads Futures $12-$36

For My Complimentary Services Guide, Latest Research Reports, Opinions and Performance Records Call (24 hours) Toll-Free.

Australia	1800125944	Belgium	080015880	Brazil	0008119215513
Colombia	980120837	Denmark	80016132	Finland	08001110064
France	0800902248	Greece	080011923013	Germany	01308289666
Hong Kong	800967209	Israel	1771000102	Italy	167875928
Japan	0031126609	Korea	0038110243	Luxembourg	08004552
Mexico	958008784178	Netherlands	060220657	N. Zealand	0800441880
Portugal	050112532	Singapore	8001202501	S.Africa	0800996337
Spain	900931007	Sweden	020793158	Switzerland	0800897233
Thailand	0018001182168 13	USA	8009945767	UK	0800966832

US-Toll Voice Line +714-376-8020 US-Toll Fax Line +714-376-8025

NASA Surveyor Determines Mars Has a Magnetic Field

By John Noble Wilford
New York Times Service

NEW YORK — In its first major discovery, the American spacecraft that went into orbit around Mars last week has solved one of the planet's long-standing mysteries: Mars does have a magnetic field. Its magnetism may be weak, compared with that of most other planets, but it is considerably stronger than scientists had suspected.

Scientists said the existence of a planetary magnetic field has important implications for the geological history of Mars, the nature of its deep interior and the possibility that life of some kind could have emerged there. Previous Russian spacecraft had reported hints of magnetism but nothing conclusive.

The confirmation of Martian magnetism was announced Wednesday by the National Aeronautics and Space Administration after an analysis of the first scientific data transmitted by the Mars Global Surveyor, just beginning what is expected to be a two-year mapping mission of the neighboring planet.

Mario Acuna, the mission's principal scientist for interpreting data collected by the magnetometer, said the instrument's measurements were "very clear and very clean, establishing with certainty that Mars has a magnetic field."

The observations suggest that the Martian magnetic field is at most one eight-hundredths the strength of Earth's magnetic field. Its polarity is similar, though. A compass on Mars would point north, but Mr. Acuna said it would have to be a very large compass to be sensitive enough to detect the magnetic orientation.

Of all the planets in the solar system, only Venus is known to lack a magnetic field, though Pluto has yet to be examined. Jupiter's powerful field is 10,000 times as strong as the one on Mars, while Mercury's is only four times as strong.

As scientists understand it, planets like Earth and Jupiter generate their magnetic fields by means of a dynamo made up of moving molten metal at their cores. Radioactive heat in a planet's interior keeps the metal molten. The rotation of the planets, in conjunction with the motions of the molten core, create electrical currents deep within the planet that give rise to the magnetic field.

Mr. Acuna, a physicist at the Goddard Space Flight Center in Greenbelt, Maryland, said that further observations over the next four months should be able to refine the measurements and gain an even better understanding of Martian magnetism.

"Whether this weak magnetic field implies that we are observing a fossil crustal magnetic field associated with a now extinct dynamo, or merely a weak but active dynamo similar to that of Earth, Jupiter, Uranus and Neptune, remains to be seen," Mr. Acuna said.

Steven Curtis, a specialist in planetary magnetism at the Goddard center, said there was insufficient evidence to determine if the weak Martian magnetism resulted from a field generated by a less active dynamo in a small, cooling planet or if it was merely a remnant of an ancient magnetic field still detectable in the Martian crust.

Meteorites that come from Mars contain such remnant magnetism.

At one time, if not now, Mars presumably had a much warmer interior and a dynamo, which would explain the ample evidence of ancient volcanoes, and now the magnetism.

The findings added a new ingredient to the intriguing mix of data related to the possibility that microbial life might have existed long ago on Mars — at about the same time it was getting started on Earth, or some 3.6 billion years ago.

Have you missed any of the International Herald Tribune's **Sponsored Sections** this year?

Auctions in France
Bavaria
Built for Business: Bangladesh
Built for Business: China
Built for Business: Indonesia
Built for Business: Japan
Built for Business: Philippines
Built for Business: Singapore
Built for Business: South Korea
Built for Business: Thailand
Business Education in France
Business Education in the US
Business Locations in Germany
Business Locations in Vienna
By Spain: Cathedrals
By Spain: Gastronomic Bounty of the North
By Spain: Museums
By Spain: World Heritage Cities
California Wines
Czech Republic
Dubai
Eco-Efficiency: Business and the Environment
Egypt
Emerging Markets in Central & Eastern Europe
Euro & Financial Markets
European Fine Arts
Fast Track 97: Asia Business Outlook
Frankfurt's New Congress Center
Greek Telecommunications
Holidays in Europe: European Drive Around
Holidays in Europe: London & Paris Shopping Breaks
Holidays in Europe: UK Fly and Drive
Hotel Renaissance
Hungary
IFA: Advanced Electronics Showcase
International Business Education
International Education in Benelux
International Education in Germany and Austria
International Education in Switzerland
International Franchising
Investing in Austria
Investing in Austria: Vienna
Investing in Poland
Luxury Real Estate
Mauritius
Mitsubishi
Mobile Communications: GSM and Beyond
Multilingualism in Europe
North America Summer Camps
Office Equipment
Portugal Update: Lisbon Stock Exchange
Portugal Update: Telecom
Summer in New York
Tanzania
Technology & The Environment
Thailand
Trade Fairs & Congresses in Germany
Travel for Knowledge
Travel in Asia: Best Beaches
Travel in Asia: Festivals
Travel in Asia: Golf
Yachting

Now available on the IHT Web site:

Herald Tribune
THE WORLD'S DAILY NEWSPAPER
http://www.iht.com/IHT/SUP/index.html

Missile Blast Near TWA 800 Now Doubtful

Washington Post Service

WASHINGTON — The FBI and the National Transportation Safety Board have all but ruled out a nearby missile explosion as a possible cause of the explosion aboard Trans World Airlines Flight 800, which killed 230 people on July 17, 1996.

Detailed letters to members of Congress this week from each agency said that the FBI had found no evidence that any missile exploded near the Boeing 747 and sent a fragment into the plane's fuel tank.

Extensive tests with exploding missile warheads produced damage patterns "significantly different" from those found in the wreckage of the plane, the safety board's letter to congressmen said.

The letters also questioned the relevance of a number of photographs taken the night the plane exploded as it was flying off Long Island.

The agencies said that only three of the many witnesses who reported seeing streaks in the sky said they thought the streaks were headed for what could have been the doomed plane.

UNIVERSITY DEGREE
BACHELOR'S • MASTER'S • DOCTORATE
For Work, Life and Academic Experience Through Convenient Home Study
(808) 597-1909 EXT. 23
FAX: (310) 471-6456
http://www.pwu-hi.edu
Fax or send detailed resume for FREE EVALUATION
Pacific Western University
1210 Auahi Street, Dept. 23
Honolulu, HI 96814-4922

TRAVEL UPDATE

French Train Crews Plan Work Stoppage

PARIS (Reuters) — Labor unions representing French train engineers and crews announced plans Thursday for a national day of action, including work stoppages, on Oct. 8 to protest government threats to do away with their special health insurance coverage.

The announcement was the first tangible sign of labor unrest in France since the left took power after parliamentary elections on June 1. The engineers played a key role in beginning national strikes that crippled transport in late 1995. Those strikes occurred after Alain Juppe, then prime minister, proposed cuts in health care.

Taiwan's anti-smoking law takes effect Friday, restricting the rights of 6 million smokers. The law will ban smoking in all public areas except for those specifically permitting it. This applies to all public transportation, including aircraft, as well as restaurants, movie theaters, hotels and museums. *(Reuters)*

Aeroflot said Thursday that it would begin twice-weekly flights between St. Petersburg and New York, and between Moscow and Johannesburg via Tunis. The new flights will begin on Sept. 26. *(AFP)*

A typhoon was expected to strike near Tokyo early Friday. *(Reuters)*

A hurricane was moving slowly up Mexico's Pacific coast. *(AP)*

WEATHER

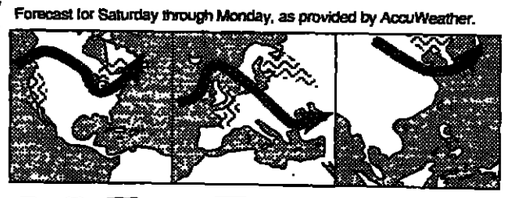
Europe

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algarve	24/75	16/61 c	23/73	16/61 pc
Amsterdam	15/59	7/44 pc	19/66	11/52 s
Ankara	27/80	9/48 pc	23/73	5/41 r
Athens	23/73	15/59 s	26/79	17/62 pc
Barcelona	23/73	16/61 s	24/75	17/62 pc
Belgrade	24/75	12/53 pc	21/70	8/46 pc
Berlin	15/59	6/43 pc	13/55	9/48 s
Brussels	17/62	7/44 pc	18/64	11/52 s
Budapest	24/75	14/57 pc	17/62	4/39 s
Copenhagen	13/55	5/41 pc	11/52	6/43 s
Costa Del Sol	25/77	18/61 s	24/75	17/62 pc
Dublin	16/61	13/55 sh	18/64	12/53 pc
Edinburgh	14/57	6/43 s	17/62	11/52 pc
Florence	28/82	14/57 s	25/77	12/53 pc
Frankfurt	17/62	2/35 pc	12/53	4/39 s
Geneva	23/73	10/50 s	22/71	11/52 pc
Helsinki	10/50	3/37 c	8/46	0/32 pc
Istanbul	24/75	15/59 pc	23/73	13/55 pc
Kiev	16/64	12/53 sh	13/55	0/32 pc
Las Palmas	28/82	22/71 pc	28/82	21/70 pc
Lisbon	24/75	16/61 c	23/73	15/59 pc
London	19/64	13/55 sh	19/66	13/55 pc
Madrid	30/86	15/59 pc	29/84	14/57 pc
Mallorca	27/80	14/57 pc	26/79	15/59 c
Milan	27/80	14/57 s	25/77	12/53 pc
Moscow	15/59	3/37 pc	12/53	3/37 pc
Munich	22/88	9/43 pc	14/57	5/41 pc
Nice	27/80	18/64 s	25/77	18/61 s
Oslo	12/53	4/39 c	11/52	7/44 s
Paris	20/68	11/52 sh	18/64	11/52 pc
Prague	17/62	4/39 sh	13/55	4/39 pc
Reykjavik	10/50	8/46 r	13/55	12/53 c
Riga	11/52	6/43 c	11/52	4/39 c
Rome	27/80	16/61 pc	24/75	14/57 pc
St. Petersburg	11/52	7/44 sh	9/48	3/37 c
Stockholm	11/52	3/37 pc	7/44	1/34 pc
Strasbourg	24/75	11/52 c	19/66	9/48 s
Tallinn	10/50	5/41 sh	10/50	3/37 c
Tbilisi	24/75	16/61 pc	28/82	18/64 pc
Venice	25/77	14/57 s	22/71	11/52 s
Vienna	20/68	8/46 sh	14/57	9/48 pc
Warsaw	19/61	5/41 pc	10/50	3/37 s
Zurich	22/71	12/53 pc	19/66	9/48 s

Middle East

Abu Dhabi	42/107	24/75 s	41/106	24/75 s
Beirut	28/82	22/71 s	27/80	19/66 pc
Cairo	29/84	18/64 pc	30/86	17/62 pc
Damascus	31/88	12/53 s	28/82	11/52 s
Jerusalem	26/79	13/55 s	26/79	13/55 pc
Luxor	39/97	18/61 s	36/97	18/64 s
Riyadh	39/102	21/70 s	38/100	24/75 s

Forecast for Saturday through Monday, as provided by AccuWeather.



Jetstream
Unseasonably Cold
Unseasonably Mild
Heavy Rain
Heavy Snow

North America
Warm with sun in the Northeast and Great Lakes Saturday, but a cold front will bring showers and thunderstorms Sunday, followed by cooler weather Monday. Chilly in the upper Midwest and Great Lakes region this weekend. Cool Saturday in the Rockies, but milder by Monday

Europe
Sunny and milder in the British Isles Saturday through Monday. After some chilly weather in Germany and Poland Saturday and Sunday, it will become milder Monday. Warm across southern Europe with clouds and sunshine, but a few showers will dampen parts of Spain and Portugal.

Asia
Cool in Beijing and Seoul this weekend, but a bit *milder early next week*. Warm and humid in Tokyo and Hong Kong with a couple of showers. Mostly *sunny and nice in Shanghai* Saturday through Monday, but monsoonal rains will persist over the southern third of India.

North America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Anchorage	17/55	6/43 sh	13/53	6/43 sh
Atlanta	32/89	21/70 s	30/86	18/64 pc
Boston	27/80	19/66 s	30/86	20/68 pc
Chicago	27/80	17/62 t	19/66	6/43 sh
Dallas	34/93	21/70 s	26/79	12/53 t
Denver	19/66	7/44 r	17/62	3/37 sh
Detroit	28/82	17/62 pc	18/66	8/46 sh
Honolulu	28/82	22/71 c	31/88	23/73 pc
Houston	30/91	20/68 pc	30/86	19/66 pc
Los Angeles	29/84	13/55 s	32/89	18/61 pc
Miami	32/89	24/75 t	32/89	25/77 t
Minneapolis	18/64	9/48 sh	11/52	0/32 c
Montreal	25/79	16/61 pc	27/80	14/57 c
Nassau	31/88	23/73 pc	31/88	23/73 pc
New York	27/80	20/68 s	29/84	20/68 pc
Orlando	32/89	22/71 pc	32/89	23/73 t
Phoenix	38/100	23/73 s	38/100	23/73 s
San Fran.	23/73	13/55 pc	26/79	13/55 s
Seattle	20/68	10/50 pc	22/71	12/53 pc
Toronto	27/80	16/61 pc	26/79	9/48 t
Vancouver	17/62	8/46 s	21/70	14/57 pc
Washington	29/84	20/68 pc	31/88	20/68 pc

Asia

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Almaty	25/77	11/52 s	25/77	11/52 s
Bali	31/88	19/66 s	29/84	23/73 pc
Bangkok	31/88	23/73 t	32/89	28/79 c
Beijing	28/79	10/50 s	18/64	9/48 s
Bombay	29/84	22/71 c	29/84	23/73 c
Calcutta	31/88	23/73 pc	31/88	24/75 pc
Chiang Mai	31/88	22/71 s	32/89	23/73 sh
Colombo	29/84	23/73 c	28/82	24/75 c
Hanoi	30/86	24/75 r	29/84	24/75 r
Ho Chi Minh	30/86	23/73 sh	29/84	24/75 r
Hong Kong	27/80	24/75 sh	28/82	23/73 c
Islamabad	40/104	23/73 s	37/99	20/68 s
Jakarta	31/88	22/71 s	32/89	23/73 pc
Karachi	34/93	24/75 s	33/91	24/75 s
K. Lumpur	31/88	22/71 c	31/88	24/75 pc
K. Kinabalu	30/86	23/71 pc	29/84	24/75 c
Manila	30/86	23/71 t	31/88	23/73 c
New Delhi	37/99	24/75 s	34/93	25/77 sh
Phnom Penh	29/84	23/73 r	28/82	24/75 r
Phuket	31/88	23/73 r	32/89	26/79 c
Rangoon	29/84	23/73 r	29/84	24/75 c
Seoul	23/73	12/53 s	21/70	11/52 pc
Shanghai	23/73	15/59 pc	24/75	18/64 pc
Singapore	29/84	21/70 pc	31/88	23/73 pc
Taipei	27/80	21/70 pc	28/82	23/73 pc
Tokyo	28/79	19/66 pc	26/77	23/73 s
Vientiane	30/86	21/70 r	29/84	23/71 r

Africa

Algiers	31/88	18/64 pc	30/86	18/64 pc
Cape Town	13/55	7/44 pc	19/66	11/52 s
Casablanca	24/75	16/61 s	23/73	17/62 s
Harare	22/71	13/55 pc	22/71	11/52 pc
Lagos	28/82	23/73 c	29/84	24/75 c
Nairobi	29/84	11/52 pc	29/82	13/55 pc
Tunis	29/84	18/64 pc	30/86	18/64 pc

Latin America

Buenos Aires	18/64	13/55 pc	21/70	13/55 pc
Caracas	29/82	23/71 sh	30/86	22/71 pc
Lima	20/68	17/62 sh	22/71	18/64 pc
Mexico City	19/66	12/53 c	22/73	13/55 s
Rio de Janeiro	25/77	19/66 pc	28/79	18/64 pc
Santiago	18/66	7/44 pc	21/70	9/48 s

Oceania

Auckland	13/55	6/48 pc	14/57	7/44 pc
Sydney	17/62	13/55 sh	22/71	14/57 r

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. *All maps, forecasts and data provided by AccuWeather, Inc. © 1997*

A two-month trial subscription.
Save up to 60%

Try a special, low cost 2-month trial subscription to the International Herald Tribune to enjoy delivery to your home or office every morning **AND** save up to 60% off the newsstand price.

COUNTRY/CURRENCY		2 MONTHS NEWSSTAND PRICE	2 MONTHS OFFER PRICE	DISCOUNT OFF COVER PRICE
AUSTRIA	ATS	1,456	650	55%
BELGIUM-LUXEMB.	BEF	3,380	1,350	60%
DENMARK	DKK	720	260	64%
FINLAND	FIM	624	310	50%
FRANCE	FF	520	210	60%
GERMANY	DEM	182	72	60%
GREAT BRITAIN	£	47	22	53%
HONG KONG	HK$	676	284	57%
ITALY	ITL	145,600	58,000	60%
JAPAN	¥	26,000	12,150	53%
MALAYSIA	RM	182	101	44%
NETHERLANDS	NLG	195	75	60%
NORWAY	NOK	832	390	53%
SINGAPORE	S$	146	82	43%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	832	350	58%
SWITZERLAND	CHF	166	66	60%
USA	$	78	43	45%

FOR OTHER COUNTRIES, PLEASE CONTACT YOUR NEAREST IHT OFFICE

Yes, I would like to start receiving the International Herald Tribune
☐ My check is enclosed *(payable to the IHT)*
Charge my: ☐ Amex ☐ Diners ☐ VISA ☐ Access ☐ MasterCard ☐ Eurocard
For ex-US and Asian prices, credit cards will be charged in French Francs at current rates.
Card No: _____ Exp Date _____
Signature: _____
For business orders, indicate your VAT No: _____ (IHT VAT Number FR 47 32021126)
Mr/Mrs/Ms Family Name: _____
First Name _____ Job Title _____
Mailing Address: _____
City/Code: _____
Country: _____
Home Tel No: _____ Business Tel No: _____
E-Mail Address: _____
I got this copy of the IHT at: ☐ kiosk ☐ hotel ☐ airline ☐ other 19-9-97
☐ I do not wish to receive information from other carefully screened companies
Mail or fax to: International Herald Tribune
EUROPE, MIDDLE EAST & AFRICA
181 Ave Charles de Gaulle, 92521 Neuilly Cedex, France
Fax +33 1 41 43 92 10. Tel. +33 1 41 43 93 61
THE AMERICAS
850 Third Avenue, New York, N.Y. 10022-6275, USA
Fax +1 212 755 8785. Tel: (toll free) 1-800-882-2884
ASIA
7/F Malaysia Bldg, 50 Gloucester Rd, Wanchai, Hong Kong
Fax +852 2922 1199 Tel: +852 2922 1171
E-Mail: subs@iht.com *Asia: subshk@ihthk.com*
Offer valid for new subscribers only. HA7M

Imprimé par Offprint, 73 rue de l'Évangile, 75018 Paris

هكذا من الاصل

THE AMERICAS

Another Attempt At Tobacco Deal

Clinton's Move Reopens Talks

By John F. Harris and John Mintz
Washington Post Service

WASHINGTON — President Bill Clinton opened a new phase in efforts to reach a settlement with tobacco companies as he pronounced an earlier pact inadequate and threw the issue open for renegotiation in Congress.

As soon as Mr. Clinton laid out his stance in the Oval Office, all the major constituencies necessary for a deal — from the tobacco industry to anti-smoking advocates — took tentative first steps toward forging an agreement more likely to pass into law.

As expected, Mr. Clinton called for tougher provisions for cutting smoking by young people, including raising the price of a pack of cigarettes by $1.50 if youth smoking is not reduced enough over the next decade, and guaranteeing the Food and Drug Administration's authority to regulate nicotine. But he declined to put forth a specific plan of his own.

His approach means that an enormous cast of players will have a chance to rewrite the deal. What the tobacco industry and 40 state attorneys general presented three months ago as a nearly finished agreement is now a rough draft, according to lawmakers, Clinton administration officials and tobacco-industry representatives.

The industry expressed opposition to Mr. Clinton's call for raising cigarettes prices but vowed to continue efforts to reach an accord with public-health advocates. Privately, some cigarette-company executives said they were confident a deal that met their terms eventually would be struck.

Reaction on Capitol Hill to Mr. Clinton's counterproposal was decidedly partisan. Democrats said he had shrewdly avoided laying down a bottom line prematurely, while Republicans denounced him for not being more specific in his statement. But legislative leaders on both sides said they were prepared to sponsor legislation that could be a vehicle for a new agreement.

Some congressmen predicted that a bipartisan bill would emerge next year. Senator Edward Kennedy, Democrat of Massachusetts, who has successfully sponsored anti-tobacco legislation with Republicans in the past, said he was hoping to do that again.

Public-health advocates — many of whom denounced the original tobacco agreement when it was announced June 20 — were nearly uniform in saying they could back a deal if it included the price increases that Mr. Clinton called for.

After months of internal debate over how tough to be on the tobacco industry, White House officials said Vice President Al Gore had convinced Mr. Clinton that a settlement would never gain public support unless he called for a possible $1.50 price increase.

Depending on how this increase was achieved, it could more than double the 25-year cost of the $368.5 billion settlement proposal reached in June, administration officials said.

But Mr. Clinton left vague — purposely so, according to advisers — precisely how these costs would be imposed.

Susan Walsh/The Associated Press

Health Secretary Donna Shalala tugging on the beards of two noted foes of cigarettes — David Kessler, former head of the Food and Drug Administration, left, and Everett Koop, former U.S. surgeon general — at the White House before President Bill Clinton announced new objectives in the tobacco-settlement case.

Red Skelton, Clown Prince Of Radio and TV, Dies at 84

By Richard Severo
New York Times Service

Red Skelton, 84, a master of mime and clowning whose gentle humor captivated generations of Americans, died Wednesday at a hospital in Rancho Mirage, California.

In the early 1940s, Mr. Skelton's radio comedy show rivaled those of such formidable competitors as Bob Hope and Fibber McGee and Molly. His popularity grew throughout the 1950s and '60s, when he had his own television show on CBS.

Although it was never below the Top 20 in the television ratings, CBS ordered the show canceled in 1970, apparently because the network thought Mr. Skelton's vintage act — replete with pratfalls, pungent one-liners and comic characterizations of everything from bumbling yokels to a couple of seagulls named Gertrude and Heathcliffe — did not appeal to younger viewers. NBC briefly carried a half-hour version of Mr. Skelton's show, from September 1970 to August 1971.

But Mr. Skelton stuck with the material that made him a star. "I'd rather have people say, 'Boy, he's hokey, isn't he?' " he said, "rather than, 'Who was the guy who told all those dirty jokes?' "

Each show concluded with his trademark line, "Good night and God bless."

Whether one saw Mr. Skelton in the 1950s or in the 1990s, his venerable sketches, such as "Guzzler's Gin," and characters — Clem Kaddiddlehopper, a slow-witted hayseed; Freddie the Freeloader, a silent tramp; the Mean Widdle Kid, an impish prankster; the inebriated Willie Lump-Lump, and the self-promoting San Fernando Red — were still there.

His audiences always knew pretty much what the Mean Widdle Kid was going to do, but they would laugh uncontrollably when they actually saw Mr. Skelton perform his skits. Mr. Skelton thought they were right, and frequently, in the midst of his act, he would laugh uncontrollably at himself.

Richard Bernard Skelton was born on July 18, 1913, in Vincennes, Indiana, the fourth son of Joseph and Ida Mae Skelton. His father, a clown with the Hagenbeck & Wallace Circus, died two months before Red was born.

Nobody in particular encouraged him to be one, but from almost the beginning, he seemed to have whatever it is that makes a clown a clown. It was apparent when he was 10 and he tried out for a medicine show. He fell off the stage by accident, breaking several bottles of medicine.

In the mid-1930s, he invented a routine that he kept with him for much of his career. He had worked up a pantomime sketch that required him to consume 12 doughnuts in various poses. He did this for three shows a day and promptly gained 35 pounds.

In 1941 he made two movies, "The People vs. Dr. Kildare" and "Whistling in the Dark." The success of the latter led to his own radio show, "Red Skelton's Scrapbook of Satire." The title of his 1943 film, "I Dood It," came from a phrase he had invented for his characterization of the Mean Widdle Kid. That phrase swept the country.

Ganesh Man Singh, 84, Nepal Democracy Chief

KATMANDU, Nepal (Reuters) — Ganesh Man Singh, 84, who led Nepal's pro-democracy movement for half a century and brought about the end of absolute monarchy in the country, died Thursday, state radio said.

Mr. Singh will be accorded a state funeral Friday.

Mr. Singh was jailed several times during his battle with the monarchy. He was once sentenced to death but escaped and fled to India.

He led the movement in 1990 that restored multiparty democracy, which had been tried briefly three decades earlier, in the world's only Hindu kingdom.

Georges Berge, 88, a retired French general who was the first Allied secret agent to parachute into Nazi-occupied France in World War II, has died in Mimizam, on the Atlantic coast in southwestern France. In March 1941, Mr. Berge parachuted into France not far from Bordeaux on a secret mission that lasted several weeks. The mission had been ordered by Britain's prime minister, Winston Churchill.

POLITICAL NOTES

'Soft-Money' Claim Is Undercut

WASHINGTON — The television advertising campaign by the Democratic Party before the elections last year was designed explicitly to bolster President Bill Clinton's bid for a second White House term and to circumvent strict spending limits faced by presidential candidates, according to dozens of internal campaign documents.

The Democratic National Committee advertising was financed in part with about $25 million in "soft money," unlimited and largely unregulated contributions that by law cannot be used directly and explicitly to advocate the election of a specific candidate for federal office.

But the previously undisclosed documents show how the Democrats' advertising was effectively used to promote Mr. Clinton's issues and re-election.

The legal implications of the new documents are a subject of dispute because a series of Federal Election Commission interpretations has opened the door to such advertising.

Some groups, such as Common Cause, have argued that both major political parties engaged in "massive illegal schemes" during the election campaign last year to violate the presidential spending limits and the restrictions on the use of soft money donations from corporations and labor unions.

Attorney General Janet Reno last year rejected the public interest lobby group's request for an independent counsel to investigate both campaigns.

But the new documents — obtained from Republican and Democratic sources — provide stark new evidence of how closely linked the Democrats' advertising and Clinton-Gore re-election efforts were and how the Democrats' ad drive was focused almost exclusively on Mr. Clinton's re-election, giving additional ammunition to those who contend the party's advertising scheme was illegal. *(WP)*

Nominee Runoff Averted in N.Y.

NEW YORK — By a margin of just 658 votes, Ruth Messinger appears to have broken the 40 percent barrier needed to avoid a runoff with the Reverend Al Sharpton for the Democratic mayoral nomination, the Board of Elections announced early Thursday morning.

Mr. Sharpton immediately said he would file suit on Thursday in state and federal courts, seeking an injunction to force the board to proceed with the runoff, which had been scheduled for next Tuesday.

According to the nearly complete count, released at 12:15 on Thursday morning, Ms. Messinger had 40.16 percent of the 411,811 votes that had been tallied. *(NYT)*

Away From Politics

- **The rate of wetland destruction has slowed, but still nearly 1.2 million acres were lost during the 10 years ending in 1995, the Interior Department said.** *(AP)*
- **Youth gangs are plaguing the nation's Indian reservations,** bringing a sharp rise in violent crime, tribal leaders say. Ivan Makil, president of the Salt River Pima-Maricopa Indian Community in Arizona, said his tribe has identified 19 separate gangs, about one for every 300 people on the reservation. *(AP)*
- **Children in California are suffering rampant tooth decay** in a "neglected epidemic" fueled by paltry prevention measures and poor access to treatment, the state's first comprehensive survey of children's oral health asserts. *(LAT)*
- **A raspberry-flavored lollipop loaded with narcotic painkiller** for treatment of cancer patients was recommended for federal approval by the Food and Drug Administration, despite concerns children could be poisoned accidentally. *(AP)*

A Divided Tribe Seeks to Cross an Iron Curtain in the Jungle

By Diana Jean Schemo
New York Times Service

SAN PABLO DE CANTESIAYA, Ecuador — When Fernando Payaguaje decided to flee the Peruvian jungle with his family 56 years ago, escaping a rubber dealer who had made virtual slaves of his people, he could not have imagined that the distant fire he was hearing would permanently divide him from his tribe.

The explosions were the sound of a war between Ecuador and Peru, which, after the guns fell silent, left behind a closed, heavily guarded border that would divide the seminomadic Secoya tribe for the rest of the century.

In Europe, the Iron Curtain is down. But hard by the border between Ecuador and Peru, the division of families because of geopolitics remains an unchanging part of the landscape.

Closed now for 55 years, the heavily guarded border stands as perhaps the longest-lived example of a government's shutting the door on enemies, predating the Communist takeover of China or the division of Korea.

The Secoya, who once roamed over more than 30,000 square miles (78,000 square kilometers) spread over Peru, Ecuador and Colombia, are asking officials in Quito and Lima to crack open the sealed border, at least enough for them to slip through and connect with relatives on the other side.

They would like to rejoin their Peruvian cousins on part of their ancestral lands in the Cuyabeno Forest Reserve in Ecuador. Alternatively, they want freedom to cross the forest border to visit relatives in Peru.

So far, the Secoya's idea has met with suspicion. Military officials in Peru and Ecuador suspect the Secoya are really only interested in spying on them, the Secoya said.

"Our idea is entirely different," said Alfredo Payaguaje, the 34-year-old leader of the Secoya and a member of the clan that fled here. "It's just to rescue our culture."

The Secoya in Ecuador want to reconnect with tribesmen over in Peru.

Soon after Fernando Payaguaje's journey, other families followed, fleeing the rubber dealer who has entered the tribal annals for brutality. Mathilde Payaguaje, Fernando's daughter, who made the monthlong hike to the banks of the Aguarico River at the age of 7, said the family could grow food and fish unmolested here, selling their wares across the border in Colombia. "This area was completely deserted," she said.

An estimated 350 Secoya live in Ecuador, with slightly more in Peru. Compared with those in Peru, the Secoya here have been far more exposed to outsiders, particularly since Ecuador opened the region to oil companies over the last 25 years.

The tribe recently signed a contract allowing Occidental Petroleum to drill for oil on its land in exchange for the materials for a communal kitchen: three cooking stoves, three water pumps with solar panels and tin roofing, along with an outboard motor and three medicine chests.

Criticism has come from the nearby Sioni tribe and such international environmental groups as the Rain Forest Action Network, which asserted that Occidental had taken advantage of the Secoya, whose language has no words for numbers, to overrun their land for "trinkets and beads."

The company, based in Bakersfield, California, has defended the deal, saying it addresses Secoya demands directly, instead of patronizing the tribe. "The perception that they're unsophisticated, don't know what they're doing, like children, couldn't be further from the truth," said Larry Meriage, a spokesman. "They have a very clear picture of what they want."

He acknowledged that the costs to Occidental had so far been "insignificant," but said the company would negotiate a second deal if it decided to begin pumping.

But the Secoya are reacting to the losses behind them, not the ones that may lie ahead. Those on this side of the border say their plan to reconnect with the rest of their tribesmen is part of a larger effort to resuscitate their culture, which they undertook in 1987.

In schools, they fought to have Secoya teachers replace Ecuadoran ones, and the curriculum now focuses on teaching the tribe's Western Toucan language and history.

The Secoya in Ecuador say they may disappear — not so much physically as culturally — if they cannot connect with their Peruvian cousins. "They still practice shamanism, wear the traditional tunics, and they're well painted, in the proper style of a Secoya," Alfredo Payaguaje said.

Right now, seeing relatives on the Peruvian side of the border involves a rain forest version of circling the planet to get next door. Secoya here say they must rent a boat to go up the Aguarico River to the border with Colombia, and from there travel down the Putumayo and through a network of rivers in Peru. The trip takes three days.

Fabian Valdiviezo, director of frontier development at the Ecuadoran Foreign Ministry, said the Secoya proposal was under study in Quito.

Whatever decision Ecuador makes, though, would only affect the Secoya on this side of the border. The hopes of the tribe have never been addressed in the delicate Peruvian-Ecuadoran peace talks under way in Brasilia.

US YOU English books to your door in 7-12 days
350,000 titles • not a club • free catalog
Tel: +33 (0)1 39 07 01 01
Fax: +33 (0)1 39 07 00 77

FOR INVESTMENT INFORMATION
Read THE MONEY REPORT
every Saturday in the IHT.
Herald Tribune
THE WORLD'S DAILY NEWSPAPER

This way to
THE INTERMARKET
Don't miss it. A lot happens there.

1997 Summits & Conferences
Herald Tribune
THE WORLD'S DAILY NEWSPAPER

As an extension of the news and commentary the International Herald Tribune brings to its readers, the newspaper has a successful and highly-respected worldwide summit and conference program that focuses on economic and political issues.
The program for the second half of 1997 includes:

■ World Water: Financing for the Future	Istanbul	*September 30-October 1*
■ Romania Investment Summit	Bucharest	*October 29-30*
■ Oil & Money Conference	London	*November 18-19*
■ Southern Africa Trade & Investment Summit	Gaborone	*November 18-19*

For further information on any of these events, please contact Brenda Erdmann Hagerty, International Herald Tribune, 63 Long Acre, London WC2E 9JH.
Tel. (44 171) 420 0307 Fax: (44 171) 836 0717 E-mail: bhagerty@iht.com

China's Party Leaders Nod and Wink at Marx

By Steven Mufson
Washington Post Service

BEIJING — Li Suli, model Communist worker and exemplar for the average citizen, stepped out of a black chauffeured Audi wearing a stylish two-piece sky-blue suit, her features accented by heavy lipstick, coiffed hair and a single strand of pearls.

"I am a simple bus conductress," Miss Li said later, smiling demurely in front of television lights at a news conference this week set up by the organizers of the 15th Communist Party congress. Miss Li, who was made famous last year for rising every day at 4 A.M. to clean buses and learn her route, said she wants to "provide better services to people through my enthusiasm and sincerity in serving the people and in this way serve as a propagator of socialist ethics."

Singled out for her eagerness to help the young and elderly onto and off buses and give them directions, Miss Li has been made a member of the Presidium of the party congress and one of roughly 2,000 delegates. But even while she is being lionized, millions of China's workers are confronting the sometimes brutal forces of a growing market economy that is being encouraged by the very same congress.

During the annual party gathering, the Communist leadership is conducting two exercises: While it goes through the anachronistic rituals of paying homage to the Marxist past, as embodied by Miss Li, it is also trying to create a sophisticated economy rooted in the modern, capitalist era. Today's party leaders worry more about banking systems, capital markets and corporate downsizing than they do about earnest ticket takers.

In the lingo of China's Communists, that creates certain "contradictions." Tomorrow's Li Suli, for example, might get a call one day telling her that her job has been automated, offering thanks for her service and wishing her good luck in finding another job.

Indeed, Jiang Zemin, the president and party leader, gave the green light to further layoffs at state enterprises in a recent speech, declaring: "All workers should change their ideas about employment and improve their own quality to meet the new requirements of reform and development."

The model-worker news conference Monday, which included Miss Li and four other model workers, was just one episode of a peculiar week in which a 1950s Communist propaganda machine met the '90s. Television stations play music videos linking Mr. Jiang to the late Communist giants Deng Xiaoping and Mao Zedong. Mirrored disco globes flash around Tiananmen Square at night, sending darts of red light dancing across fountains and flowerpots the size of town houses.

The party congress could rival an American political convention as grist for satire, but the Chinese Communist Party and its leaders still take themselves much too seriously for that. Asked if he ever jokes about the party, a television humorist known for a dialogue called "Cross Talk" said, "No, no, no, no. Are you trying to turn me into one of those unemployed people?"

Many aspects of the congress remain depressingly familiar and seemingly out of touch. At the opening session, the stage was full of aging party leaders, led by Mr. Jiang, 71, who is hailed as the core of a young generation. The seats held a sea of model workers, party hacks, a few ambitious officials and token minority members from southern China snapping souvenir photos of themselves inside the Great Hall of the People.

Much of the rhetoric seemed tired and worn, replete with references to "upholding the banner of Deng Xiaoping thought," or furthering "the great cause of building socialism with Chinese characteristics to the 21st century."

No matter how empty the rhetoric sounds, the language used by the Communist leadership provides the only clues about what goes on behind the closed doors of the party's inner circles. Much political analysis is really textual analysis. Does "extend the scope of democracy at the grass-roots level" mean expanding village elections up to township level? Have the 1989 student democracy demonstrations been described as "counterrevolutionary" or "political turmoil?" Does "public ownership" mean private ownership by public shareholders, or government ownership, or mixed ownership?

The political spectacle of the party congress would be more embarrassing for the party if more people were paying more attention: the average Chinese citizen isn't sitting on the edge of the chair during this meeting.

"My generation believed that only socialism can give us a secure society," says Wang Shan, an author and political analyst. "The next generation doesn't see it that way. They are more individualistic. They believe in themselves."

Thaksin Khaikaew/The Associated Press

PROTEST — A youngster yawning during a demonstration by exiled Burmese in Bangkok on the ninth anniversary of the military coup.

U.S., 2 Koreas And China Open Talks to Settle '50s War

Compiled by Our Staff From Dispatches

NEW YORK — The United States opened talks Thursday with the two Koreas and China to try to arrange a conference to bring lasting peace to the Korean Peninsula.

Officials from the four counties met at Columbia University in New York. There were no immediate details of the meeting.

The talks, stalled in August over North Korean demands that the United States withdraw its troops from South Korea and sign a separate treary with Pyongyang, were expected to last two days, U.S. officials said.

Delegation leaders declined comment when Thursday's meeting began at Columbia University's School of International and Public Affairs.

U.S. and North Korean negotiators met in Beijing last week to discuss the future of the four-nation talks following the defection of two Pyongyang diplomats to the United States last month.

The 1950-1953 Korean War ended with an armistice that stopped the fighting but technically not the war.

Officials said after meeting in New York in August that they had agreed to go ahead with formal peace negotiations in Geneva four to six weeks after the end of preparatory talks. Only the agenda needs to be agreed upon.

Washington and Seoul worked for more than a year to bring North Korea to the negotiating table.

Specialists on North Korea say Pyongyang needs to improve its relations with the outside world to rescue it from famine and economic disasters.

The United States and South Korea have insisted that the talks not include the issue of food aid to North Korea, where a series of poor harvests and lack of foreign currency have led to a severe food shortage.

On Wednesday, U.S. officials announced that the United States was willing to send a team of experts to North Korea to assess the food situation.

The United States has sent several shipments of food to North Korea in the last year to help in a famine.

A spokesman said that U.S. officials intended to move toward resolving the issue of North Korean assets frozen in the United States. *(AP, Reuters)*

BRIEFLY

India and Pakistan Agree to Talk Again

NEW DELHI — India and Pakistan ended three days of peace talks Thursday with an agreement to meet again but no sign of progress toward resolving disputes that have divided them for half a century.

Senior diplomats, who at the start of the talks Tuesday wanted to put in place a framework to address outstanding issues, did not report any concrete results at the end of the third round of negotiations since March.

"It was felt that further consideration was required," the two nations' highest-ranking diplomats said in a joint statement. *(Reuters)*

Bangladesh Unrest

DHAKA, Bangladesh — Opposition activists, angered by a ban on street rallies, fought running battles with the police in the capital Thursday evening, setting off homemade bombs and hurling stones, witnesses said.

They said police had responded by firing tear gas and using batons to drive away the Bangladesh Nationalist Party activists. *(Reuters)*

Taipei Is Vetoed

TAIPEI — Taiwan vowed further efforts Thursday to join the United Nations after China vetoed the island's fifth consecutive annual attempt to get the UN General Assembly to consider it for membership.

The acting foreign minister, Chen Chien-jen, said Taiwan would not be discouraged by the defeat. *(Reuters)*

Mahathir in Mask

KUALA LUMPUR — Prime Minister Mahathir bin Mohamad appeared Thursday in public wearing a mask as a smoky haze continued to envelop the country.

The smog shrouding much of the country has been blamed on bush fires in Indonesia. The air pollution also has hit Singapore and Brunei. *(Reuters)*

THE INTERMARKET

GENERAL

Personals

Congratulations
and
Best Wishes to
Mael and Francois
BILLECARD
on the birth of your daughter
AUDREY
(2.9 kg)
on September 16, 1997
from the QUINTETTE DE PARIS

MAY THE SACRED HEART OF JESUS be adored, glorified, loved and preserved throughout the world, now and forever. Sacred Heart of Jesus, pray for us. Saint Jude, worker of miracles, pray for us. Saint Jude, helper of the hopeless, pray for us. Amen. Say this prayer nine times a day, by the ninth day, your prayer will be answered. It has never been known to fail. Publication must be promised. UK

THANK YOU SACRED HEART of Jesus and Saint Jude for special prayers answered. Signed D.W.

Auto Rentals

RENT AUTO DERGI FRANCE: WEEKEND FF500 - 7 days: FF1500. Paris +33 (0)1 43 68 55 55

Autos Tax Free

EUROPE AUTO BROKERS, INC
Tel:Holland 31(0)30-6064494 Fx6060894

Announcements

BAREME AS 24
AU 19 SEPTEMBRE 1997
Prix Hors TVA en devise locale
(traduction disponible sur demande)
Remplace les baremes anterieurs

FRANCE (zone C) en FRF - TVA 20,6%
GO: 3,71 FOD*: 2,25
SC97: 5,45 SCSP: 5,32

UK en £ - *TVA 17,5% (lout 5%)
GO: 0,5514 FOD*: 0,3476

ALLEMAGNE (zone I) DM - TVA 15%
ZONE I - G :
GO: 1,10
ZONE II - I :
GO: 1,06 SCSP: 1,44
ZONE III - F :
GO: 1,03 SCSP: 1,43
ZONE IV - F :
GO: 1,05 SCSP: 1,43

BELGIQUE en FB/I - TVA 21%
GO: 21,98 FOD: 10,62
SC97: 34,13 SCSP: 32,23

HOLLANDE (zone2) NLG/I - TVA 17,5%
AU 18/09/97
GO: 1,289 FOD: 0,793
SC97: 1,991 SCSP: 1,932

LUXEMBOURG en LUF/I - TVA 15%
GO: 19,48

ESPAGNE (zone A) en PTAS/I-TVA 16%
AU 16/09/97
GO: 82,67
SC97: 103,45 SCSP: 107,59

* Usage reglementé

Business Opportunities

OFFSHORE COMPANIES. For free brochure or advice Tel. London 44 181 741 1224 Fax: 44 181 748 6658/6338 www.appleton.co.uk

OFFSHORE BANKS
COMPANIES & TRUSTS
IMMIGRATION/PASSPORTS
Banking-Accounting-Secretariat
Vat Registration-Invoicing
Mail-Phone-Fax Services Worldwide
Aston Corporate Trustees
Aston House, Douglas, Isle of Man
Tel: +44 (0) 1624 626991
Fax: +44 (0) 1624 625126
London
Tel: +44 (0) 171 233 1302
Fax: +44 (0) 171 233 1519
E Mail: aston@enterprise.net
www.aston-ios.demon.co.uk

OFFSHORE BANK
with correspondent relationship.
Class A commercial license.
Immediate delivery. US $60,000.
NASSAU, BAHAMAS
Tel: (242) 394-7080 Fax: (242) 394-7082
AGENTS WANTED WORLDWIDE

Business Services

GENEVA
SWITZERLAND
Full Service
is our Business
* International law and taxes
* Mailbox, telephone, telex and telecopier services
* Translation and secretarial services
* formation, domiciliation and administration of Swiss and foreign companies
* Furnished offices and conference rooms for daily or monthly rental
Full confidence and discretion assured.
BUSINESS ADVISORY
SERVICES S.A.
7 Rue Muzy, 1207 GENEVA
Tel 736 05 40, Tlx 413222, Fax 786 06 44

Lowest Int'l
TelePhone Rates!
Call The USA From:
Germany $0.32
UK $0.24
France $0.34
Switzerland $0.36
Italy $0.43
Bahrain $1.07
Call For All Rates
Up to 25% Commission
Agents Welcome!
KallMart
Tel: 1-407-676-1717 Fax: 1-407-676-5289
http://www.kallmart.com

SELL & BUY
all over the world with INTERNET
www.webeurobusiness.com
Fax +33 (0)5 61 14 85 29

BUSINESS DEVELOPMENT: Atlanta-based ex-CEO seeks assignments. High-tech background with 20 years International sales & marketing experience in Europe & Asia. Fax: +1-770-640-7118. E-mail: 74362.2045@compuserve.com

YOUR OFFICE IN LONDON
Bond Street - Mail, Phone, Fax, Telex
Tel: 44 171 290 9000 Fax 171 499 7517

THE INTERMARKET Starts on Page 4

Capital Available

PROJECT CAPITAL
AVAILABLE NOW
NO LIMIT
NO SECURITY
FAX: +44 (0)171 470 7213

Financial Services

FUNDING PROBLEMS?
for
SOLUTIONS
Contact
BANCOR
OF ASIA
Bankable guarantees to secure funding for viable projects:
VENTURE CAPITAL
EQUITY LOANS
REAL ESTATE
Long term collateral
Supported Guarantees
Fax: (632) 810-9284
Tel: (632) 894-5358
(Commission earned only upon Funding)
Brokers Commission Assured

PRIME BANK
GUARANTEES
Venture Capital Finance Available for Government Projects and Government Companies that are for sale
Large Projects our Specialty
Also, Long Term Finance for Large and Small Companies
No commission Until Funded
REPRESENTATIVE
Needed to act as Liason
Please reply in English
VENTURE CAPITAL CONSULTANTS
Investment bankers
16311 Ventura Blvd., Suite 999
Encino, California 91436 U.S.A.
Fax No.: (818) 905-1698
Tel.: (818) 789-0422
Holland: Sr. Assoc. Delta O.G. Lelystad

TELECOMMUNICATIONS

New Lower International Rates!
Germany.... 31¢
Japan..... 38¢
France..... 33¢
UK..... 19¢
• NO Set Up Fees
• NO Minimums
• Six-Second Billing
• AT&T Quality
• 24-hour Multi-lingual Customer Service
The Original kallback
Where Standards are Set, not Met!
Tel: 1.206.599.1991
Fax: 1.206.599.1981
Email: info@kallback.com
www.kallback.com
417 Second Avenue West
Seattle, WA 98119 USA

DINING OUT

AMSTERDAM
DE VLIEGENDE SCHOTEL
Vegetarian kitchen.
Open daily 16.30 - 23.30
Kitchen open 17.30 - 22.15
NIEUWE LELIESTRAAT 162
Reservations: 020-6252041.

NEUILLY
FOC LY
The most popular Chinese restaurant
Recommended by famous gastronomic guides. New dishes & menus for lunch. Private dining room. 79, av Ch.-de-Gaulle, Neuilly. T. 01.46.24.43.36. & 71, av. Suffren Paris 7th. T. 01.47.83.27.12.

PARIS 6th
LE BILBOQUET
A jazz temple since 1947
which hosts the greatest jazzmen.
At the heart of Saint-Germain-des-Prés
for dinner or a drink.
Gastronomical menu at a reasonable price.
13, rue Saint-Benoit. T. 01 45.48.81.84.
Yugaraj
You can sample the spicy, aromatic, tandoori dishes that are becoming rage in France...
"Fromme's 97" (air conditioned)
14, rue Dauphine. T. 01 43 26 44 91
CHEZ GANDHI
Recommended for top gastronomy. Guides of France "not to miss" (air conditioned) 41, rue Dauphine. T. 01 44 07 08 06 - 01 43 29 01 29.

PARIS 7th
THOUMIEUX
Specialities of the South-West.
Confit de canard & cassoulet au confit de canard. Air conditioned. Open everyday. 79 rue St-Dominique. Tel.: 01.47.05.49.75.
Near Invalides Terminus.

PARIS 9th
TY - COZ
Fish, Shellfish, Seafood. Evening menu 170 FF. Closed Sunday & Monday evening. 35 r St Georges. Air Conditioned. Tel.: 01.48.78.42.95 & 34.61.

TGI FRIDAY'S
The American Bistro
Great Food and Cocktails
Fun People...
9, Bld Montmartre Tel.: 01 47 70 27 20

PARIS 17th
KIRANE'S
New Indian Restaurant fit for a Maharajah. Regional specialities from Pondichi. Very good press reviews. Open everyday. Air conditioned. • Lunch FF 99 • Dinner FF 155 to FF 199
85, av. des Ternes. - Tel: 01 45 74 40 21

VIENNA
KERVANSARAY
Turkish & Int'l specialities, lobster bar, best seafood restaurant, 1st floor. Maldenstr. 9. Tel.: 5128643. Air conditioned. Mon.-Open. Noon-3 p.m. & 6 p.m.-1a.m., except Sunday. Open holidays.

You will find below a selection of employment offers published in last Monday's International Herald Tribune
For a copy of last Monday's paper, please contact Kimberly Guerrand-Betrancourt on Paris 01 41 43 94 76

POSITION	COMPANY	CONTACT
Contracts Officer	EUMETSAT	Ref: VN97/11 EUMETSAT F. Jayawant Potsfach 10 05 55, 64205 Darmstadt. Germany
Administrative + Financial Director	Youth Forum Jeunesse	Secretary General Youth Forum 120, rue Joseph II B-1000 Brussels Fax: 32 2 230 21 33 e-mail:youthforum@brussels.blackbox.at
H.R. Development, Training and Empowerment Manager	Groupe BBC	GEC.TR./DVP.Forum/22HT Richard Bénatouil Groupe BBC 1 bis, place de Valois 75001 Paris - France Fax: 01 42 60 38 95
• **Investigative reporters to cover the European Commission in Brussels** • **General business reporters** • **Correspondents for the major cities**	The European	Susan Douglas Executive Editor The European 200 Gray's Inn Road, London WC1X 8NE

Escorts & Guides

BELGRAVIA
ORCHIDS
LONDON - EUROPE
THE FINEST & THE MOST SINCERE 18 - 38+ INTERNATIONAL BEAUTIFUL & ELEGANT STUDENTS SECRETARIES, AIR HOSTESSES & MODELS + AVAILABLE AS YOUR COMPANION
Escort Agency Credit Cards Welcome
TEL: LONDON ++ 44 (0)
0171 589 5237

INTERNATIONAL ESCORTS
World's First & Most Exclusive Service
Models, Beauty Queens, Actresses Entertainers, Hostesses, Secretaries
Multilingual Travel Companions
"Rated "Best in New York" by New York Mag. Featured in international News Media & TV. Video tapes & Photos available for selection. Credit cards accepted.
Hdqtrs: 1-212-765-7896
office@mtl-escorts.com
USA & WORLDWIDE

ALAN, BLACK ESCORT SERVICE. Handsome. Educated. Dinner or Companion. Based Edinburgh. UK only call 0973 530 056

VENUS IN FURS
24HR WORLDWIDE ESCORT SERVICE
LONDON 0171 362 7000
All cards. Advance bookings welcome

HIGH SOCIETY
Executive Escort Service
Worldwide
Tel: +44 (0) 171 266 1033
07000 4444 76 info@high-society.net

PARIS
APOLLO ESCORTS
service@apollo-consultants.com
+31-654-228-124

ARISTOCATS Escort Service
3 Shouldham St. London W1
0171 258 0090

KEIDI'S HIGH SOCIETY*VIENNA*PARIS
COTE D'AZUR*ZURICH*GENF*MUNICH
International Escort & Travel
Vienna ++43/1/535 41 04 all credit cards

CHELSEA ESCORT SERVICE
51 Beauchamp Place, London SW1
Tel: 0171-584 6513

"GUYS & DOLLS ESCORT SERVICE"
MILAN*ROME*ITALY*LONDON*PARIS
BENELUX*LUGANO*GERMANY*SPAIN
COTE D'AZUR*SCANDINAVIA*TOKYO
Tel: +39 (0) 335 619 0438 Credit Cards

PRESTIGE ESCORT AGENCY Bilingual. PARIS, COTE D'AZUR & GENEVA Switzerland. Contact directly agency in French Tel: 00-41-22-9295794 daily

GENEVA PRETTY WOMAN
Call 022 / 346 00 89 Escort Agency
LAUSANNE-MONTREUX- BASEL
ZURICH - CREDIT CARDS

* DUSSELDORF * Upper-class establishment, top level ladies Escort & Guide Service near Dusseldorf & Cologne airports. Tel. 0211-4986166

MILAN * ROME * PARIS TOP CLASS
Julia escort service +39(0)335.803.8953

AMSTERDAM SOPHIE & HEAVEN
Escort Service, Swede, Blond, Discreet
06-65225859 & leave # + extension

HEATHER BEAUTIFUL BLOND private escort service. Kennsington
Tel: 0171 835 1685 or 0171 259 2623

ANGELIQUE & FRIENDS
Simply The Best Escort Service
London 24 hrs 0171 586 0059

BARBARA ITALIAN BEAUTY High Class, Elegant, Sophisticated Private Escort Service. Call 0802 729 857

BEAUTIFUL BRUNETTE 22 years Stunning figure, Feminine and Charming Private escort London 0956 139 996

BERLIN - FRANKFURT
"CARISMA ESCORT AGENCY"
Tel: 0041-848 80 70 77 - Credit Cards

BLACK BEAUTY ESCORT SERVICE
Exclusive Elegant Educated & Friendly
London & Heathrow 01819082261 Cards

CHAMPERS INT'L EXCLUSIVE
Elegant Escort service - London
TEL/FAX 0171 486 0545

* FRANKFURT - WIESBADEN *
Natural, Tall Travel & Escort Service
Tel 0171-625 92 95 Daily

HIGH LIFE * VIENNA * 24 hrs.
MOST EXCLUSIVE ESCORT SERVICE
VIENNA ++43-1-3675690 all credit cards

JULIA BEAUTIFUL YOUNG Brunette Friendly and very Shapely. Private Escort Service London Tel: 0410 772 816

JULIETTE (Blond Glamour Model) Educated Discreet Escort Service VIP's only. Call 0956 545 822.

MONOPOL FRANKFURT
THE LEADING ESCORT SERVICE
OFFICE NUMBER 069 / 955 20 774

MUNICH * WELCOME
ESCORT & GUIDE AGENCY
Call: 089-91 23 14 or 0172-970 1643

*** MADRID GLAMOUR ***
Escort & Guide Service. English.
Before Midnight Tel: 34-1-373.86.38

****NEW YOUNG ESCORTS****
London's Number One Escort Service
Tel: 0171 834 3339 - 24hrs

NICOLE VERY PRETTY AND SHAPELY
Young Blond Private Escort Service
London Tel 0410 789 253

SELECT NO 1 ESCORT AGENCY Discreet friendly high class escorts & Dinner date Service. Call Sophie: 0956 619679

SOPHISTICATED EDUCATED PRETTY
Black Escort VIP service in London Phone 0958 273 0801

VALENTINES INTERNATIONAL
VIP Escort Service photos to view central London office 0171 835 0005 all cards

VERONIQUE VIP Glamorous Style & Class. French Speaking Escort Service London Tel 0171 2356455 credit card

* ZURICH * CAROLINE *
Escort Service
Tel: 01 / 261 49 47

EUROPE

Joblessness Tops Agenda For Kohl and Paris Leaders

The Associated Press

WEIMAR, Germany — Buoyed by a European Union agreement to speed the movement toward a single currency, German and French leaders are now turning their attention to Europe's employment crisis.

Beginning Thursday, Chancellor Helmut Kohl was playing host to President Jacques Chirac and Prime Minister Lionel Jospin of France for a two-day meeting at a chateau in this town in Eastern Germany.

Topics for discussion included a French-inspired call for an EU conference in November on ways to combat Europe's high unemployment, German officials said. Germany's jobless rate is 11.4 percent, a postwar high for that country, and France's is 12.5 percent.

Mr. Jospin, a Socialist, rattled Mr. Kohl's conservative government by calling for concerted European action against unemployment after he came to power in June. But France seems to have accepted Germany's firm rejection of new EU money for any job programs.

Still, France wants the November meeting to be more than just talk, Mr. Chirac's spokeswoman, Catherine Colonna, said in Paris. Exactly what measures might be taken was to be a topic at the meeting Thursday.

The leaders were also expected to discuss the proposed common currency, the euro, scheduled to begin in 1999.

Signs of an economic upturn in Europe have helped ease worries that Germany and France — the two partners at the center of European integration — will miss economic targets to qualify for the euro, forcing postponement of the project.

The German and French leaders were also expected to continue talks on how Europe's Airbus jetliner consortium could be turned into a for-profit company to better compete with the U.S. aviation industry.

Another topic was to be the creation of a joint German-French university, the German education minister, Juergen Ruettgers, said in Thursday's Handelsblatt newspaper. Both sides will contribute 9 million Deutsche marks ($5 million) for the new school, he was quoted as saying.

Mr. Kohl, Mr. Jospin and Mr. Chirac were meeting informally for dinner Thursday night. The German leader is to meet with both French leaders separately Friday morning for detailed talks.

Armando Babani/Agence France-Presse

Albanian Politician Shot by Rival Lawmaker

Azem Hajdari, a deputy with the opposition Democratic Party, was shot and seriously wounded Thursday, two days after he and his assailant exchanged blows in Parliament. Gafur Mazreku of the governing Socialist Party was arrested.

Envoys Agree on Land-Mine Ban

Nations Lament Absence of U.S.; South Korea Also Opts Out

By Charles Truehart
Washington Post Service

OSLO — With empty chairs at the table behind the sign reading "United States," diplomats from nearly 90 nations adopted the text Thursday of a treaty banning the manufacture and use of anti-personnel mines as early as the turn of the century.

As the three-week land-mine conference concluded in an ebullient mood, delegates lined up to comment on the historic nature and the diplomatic miracle of a disarmament treaty that was given little chance of success when Canada launched the process last year.

"Two years ago the idea of an international law banning land mines seemed a distant prospect," Foreign Minister Bjorn Tore Godal of Norway said. France's delegate, Joelle Bourgois, called it "one of the rare moments in international life where reasons of state encounter the sentiment of peoples."

The treaty will be forwarded to Ottawa for a formal signing ceremony in early December, with ratification by member nations to follow.

Izet Serdarevic, the delegate of Bosnia-Herzegovina, expressed sorrow that Washington would not be part of the treaty. "We all needed the power of the United States, among others, to influence other countries," he said.

The swift adoption of the text came after the Clinton administration was frustrated in its attempts to modify the treaty to accommodate its concerns about the security of U.S. troops along the demilitarized zone in South Korea. But President Bill Clinton's pledge to end unilaterally of the use of anti-personnel mines by 2003 everywhere but in Korea, and in Korea three years later, was greeted positively at the conference.

"This is a step forward in U.S. policy," said Stephen Goose of the International Campaign to Ban Land Mines, the umbrella organization of humanitarian groups that was instrumental in marshaling support for the treaty, "to declare there is a date by which anti-personnel land mines will no longer be necessary. We've been trying to get the Pentagon to name a date for years."

But Mr. Goose criticized the president's failure to include a controversial category of land mines — anti-personnel explosives scattered around anti-tank mines to ward off attempts to defuse them — as a "bait and switch tactic," saying the move was "defining things that have always been acknowledged by the U.S. military as anti-personnel mines as no longer anti-personnel mines so there is no reason to ban them."

Although only 89 countries were official delegates to the Oslo conference, its South African chairman, J.S. Selebi, said he expected that more than 100 nations would sign the convention in Ottawa. Mr. Selebi said a number of African and other developing countries could not afford to send delegations here even though they support the treaty. Many nations present in Oslo as observers will be signatories in Ottawa, he added.

But many will not. The Russian observer, Boris Shchiborin, told the conference that the pact "could not be considered as universal" because the views of countries representing nearly two-thirds of the world's population "have not been taken into consideration."

China and Iraq did not attend the conference; Iran, India and Pakistan, among others, sent observers and are not prepared to sign. Japan, whose security interests are closely tied to the situation in Korea, said through its delegate that it would announce its decision about signing the treaty "in due course." Delegates for Australia and Turkey, which have been cool to the treaty text, said much the same thing. Kuwait was the only nation to state here outright that it would not sign.

■ Seoul Refuses to Join Ban

South Korea said Thursday that it would not join the global ban on anti-personnel land mines, saying they provide a crucial shield against military threats from North Korea, The Associated Press reported from Seoul.

BRIEFLY

General Pays Homage To 12 in Bosnia Crash

SARAJEVO, Bosnia-Herzegovina — The commander of the NATO-led peace mission in Bosnia paid homage Thursday to the 12 international officials killed in a helicopter crash in central Bosnia.

General Eric Shinseki of the United States said in a statement, "The tragic loss of these gifted and dedicated representatives of the international community is a sorrowful blow to their organizations and to everyone working for peace in Bosnia-Herzegovina."

The crash of the UN helicopter Wednesday killed a senior German diplomat, Gerd Wagner, and 11 other international representatives. *(AP)*

France Cuts Arms Budget

PARIS — France will spend at least 80.1 billion francs on buying arms and other defense equipment purchases in 1998, Defense Ministry officials said Thursday. Earlier, Defense Minister Alain Richard said last-minute cuts in the procurement side of the defense budget, which goes before Parliament next week, *would not be more than 10 percent of the 89* billion francs ($14.98 billion) initially sought.

Mr. Richard, in an interview on Europe 1 radio, acknowledged that the arms spending cuts, dictated by France's need to lower public deficits enough to qualify for European monetary union, would lead to job losses in the defense sector, but he hoped it would be fewer than 15,000 jobs. *(Reuters)*

Tests Delay Ariane-5

CAYENNE, French Guiana — The launching of Western Europe's second Ariane-5 rocket from French Guiana, scheduled for Sept. 30, has been postponed so that tests of the rocket's dynamic system can be analyzed, space officials said Thursday.

The European Space Agency and the *French Space Agency, managers of the* Ariane-5 program, said a new date would be announced after Sept. 25. The 10-year $9 billion program was marred by a launching failure 37 seconds after its maiden liftoff on June 4, 1996, from the launching center in Kourou, French Guiana. *(Reuters)*

For the Record

A helicopter trying to help a convict escape from a prison in Sittard, Netherlands, crashed Thursday, killing the pilot and injuring the prisoner. *(AP)*

A firing squad publicly executed two convicted murderers Thursday in the Chechen capital, Grozny, despite fierce objections from Moscow. *(AP)*

Sabarino Ciccarelli, an alleged Mafia boss who headed the German branch of Italy's "Cosa Nostra," has been arrested in Germany, according to a television report. *(AP)*

The Euralille tower block in Lille, France, which was hit by mysterious vibrations, reopened Thursday, after being evacuated for three days. *(AFP)*

Weekend
OPTIONS®
Heart of the City

London from £119 per night.

Enjoy a little luxury this weekend with *Heart of the City Weekend Options* from Inter-Continental. With over 60 hotels at the heart of 50 of Europe's most beautiful cities we'll ensure you have the perfect escape. For information or reservations contact us from the UK on 0345 581444, from France on 0800 908555, or from Germany on 0130 853955.

INTER-CONTINENTAL
HOTELS AND RESORTS

Rates per room per night. Limited availability £119 rate at Forum Hotel London. Valid weekends only.

Unisys knows it takes two things to run a global bank.

One of them is money.

The other is information. Because no bank moves a single penny without it. And helping clients manage information — not just process it — is what Unisys does best. That's why Unisys is the choice of the world's most intensive users of information — including 41 of the top 50 banks.

Our solutions help clients with everything from stopping cheque forgeries to integrating global networks. And our consultants help businesses uncover revenue potential hiding in customer data. It's all part of information management — our way of helping you use information as an asset to gain competitive advantage. Call for details and learn what clients like Union Bank of Switzerland learned. When it takes information to run your business, it takes Unisys to help you run it better. http://www.unisys.com or phone Tony Locke on +44 1908 212613, fax +44 1908 212552.

UNISYS

When information is everything.

Jews to Quit A House in Jerusalem

Settlers Agree to Deal, But Arabs Assail Plan

By John Lancaster
Washington Post Service

JERUSALEM — Militant Jewish settlers have agreed to vacate a house in an Arab neighborhood of East Jerusalem in a compromise reached Thursday evening with the government of Prime Minister Benjamin Netanyahu.

But Palestinian officials rejected the deal because it would have permitted Jewish religious students to take the place of the departing families.

In that regard, the compromise plan failed to defuse Palestinian anger over plans by the settlers and their wealthy American patron, Irving Moskowitz of Miami, to establish a permanent Jewish presence in the neighborhood known as Ras al Amoud.

Palestinians view any such incursion as a threat to their vision of East Jerusalem as the capital of a future Palestinian state, and Israeli security forces braced for the possibility of violent disturbances in Gaza and the West Bank after Muslim prayer services Friday.

But for Mr. Netanyahu, the compromise offered at least a partial solution to a severe political challenge. Under pressure from the Clinton administration to avoid new causes of tension with the Palestinians, Mr. Netanyahu has been eager to find a way to remove the settlers from the neighborhood.

But he also has been reluctant to forcibly evict them for fear of offending members of his rightist coalition who support the settlers' right to live in the Arab neighborhood.

"This is not the time to settle families in Ras al Amoud, or build a new neighborhood in the area," Mr. Netanyahu said in a statement.

Since the settlers moved into the neighborhood last Sunday night, Mr. Netanyahu and his aides have tried to persuade them to leave voluntarily but hinted that they might resort to force if necessary.

To forestall that possibility, Mr. Moskowitz and the settlers appealed to the Supreme Court for an injunction to bar the police from evicting them.

Under the compromise plan, which ends the need for a court ruling, the three Jewish families will vacate the rambling stone structures in the neighborhood overlooking Jerusalem's walled old city.

Under the plan, they will be replaced by 10 yeshiva students who will renovate and guard the property, Internal Security Minister Avigdor Kahalani said on Israeli television Thursday night.

"We must allow Moskowitz to maintain the property but the families won't stay," Mr. Kahalani said. Details of the plan were not immediately available.

As details of the projected deal filtered out during the course of the day, Palestinian officials denounced it as a "trick" aimed at legitimizing a permanent Jewish presence.

"This compromise is much more dangerous than no solution because it establishes a legal precedent and it shows these settlers that every time they do such an action the prime minister will yield," Marwan Kanafani, a spokesman for the Palestinian leader, Yasser Arafat, said in an interview.

Rula Halawani/Reuters

Israeli riot police removing protesting Peace Now activists on Thursday from the roof of a house occupied by Jewish settlers. The activists opposed the attempt by the settlers to set up residence in the Arab district.

CAIRO: *Gunmen Kill German Tourists*

Continued from Page 1

Farahat, was not known to have a criminal record.

The most recent attack on tourists in Egypt occurred in April 1996, when gunmen believed to be Islamic militants killed 17 Greek tourists and an Egyptian man as they were boarding a bus outside a hotel near the Great Pyramids of Giza, just west of Cairo.

No matter who carried out the assault Thursday, it will be remembered as the latest in a long list of strikes aimed at Western tourists that began soon after Islamic militants opened their campaign of violence.

The bombing, at 12:30 P.M. just outside the gates of one of Cairo's prime tourist sites, is bound to complicate the government's efforts to revitalize a tourism industry vital to the country's economy.

"If you don't feel safe to travel in this country, then you cannot enjoy your holiday," said Dirk Schaefer, 28, a German tourist who sat a few hundred meters from the site of the attack.

He was talking with a friend about whether they should stay on in Egypt to complete their three-week vacation.

The Egyptian Museum remained closed through the afternoon, and it was unclear when it would reopen.

Even into the night, the bombed-out tour bus remained at the site near the museum gate where it had begun to disgorge some of its 33 German passengers when the attackers struck.

It sat shattered and charred, with just one window intact. Inside, its seats, upholstery and mechanical parts had been reduced to blackened and tangled wreckage.

At least five other buses parked nearby also stood scarred, scorched by fire or riddled with bullet holes from the firefight between the assailants and the authorities. Witnesses said the battle lasted 10 to 15 minutes.

According to an account provided by the Egyptian Interior Ministry, the attack began when assailants hurled a soda bottle filled with gasoline and other fuel into the bus.

The bomb erupted in flames and witnesses reported seeing men and women, many of them burned, bleeding and even afire, fleeing in panic from the bus's rear door.

At first, the Egyptian police said, the attackers fired automatic weapons into the air to aid their escape. But after museum guards and Egyptian plainclothesmen began to fire at them, the assailants shot back, igniting a battle that sent bullets close to the hotels and airline offices in the busy square.

The German Foreign Ministry said it could confirm that six of those killed were German, but that it did not know the nationalities of the others.

The Egyptian Interior Ministry announced later that the death toll had reached 10 and that a senior police officer who briefed cabinet ministers at the scene of the explosion told them that one of the dead was the Egyptian driver.

RUBIN: *China's Economic Plans Hailed*

Continued from Page 1

stopover on his way to Hong Kong where he will attend the annual meetings of the International Monetary Fund and the World Bank.

Mr. Rubin, who is to travel to Beijing next week after Hong Kong, said the United States "wants to be helpful to China with respect to its integration into the global economy."

The Treasury secretary said that in Beijing he would also discuss China's application to gain entry to the World Trade Organization.

But he indicated it was not likely that a deal could be struck on market-opening steps tied to China's request for admission to the WTO by the time President Jiang arrives in Washington in mid-October for a summit meeting with President Bill Clinton.

"We don't have very much time between now and then, and that speaks for itself," he said.

Yet, Mr. Rubin said, "We are very supportive of China joining the WTO as part of their continued integration into world economy. In fact the WTO is the most important piece of it."

He added that "if you put the WTO together with the reforms they have just announced then you have very major steps forward in terms of China's growth and development, and that is very important for the rest of the world as well."

But he also said that he planned to raise human rights concerns along with the economic and trade matters.

[Mr. Rubin said that the United States planned to announce an initiative in Hong Kong to encourage governments to provide investors with more complete and timely economic information, following Thailand's economic crisis, Bloomberg News reported from Seattle.

[The initiative, he said, would "strengthen disclosure requirements to achieve transparency in central banks' balance sheets and transactions and in the underlying conditions of the banking system, building on the U.S.-led initiative which was started in response to the Mexican crisis, in 1994-1995."]

During the telephone interview, Mr. Rubin also said that:

- He would urge Thailand and other East Asian nations hit by financial turmoil to restore investor confidence by sticking to sound economic policies and opening their capital markets to more competition.
- He would urge the Japanese finance minister, Hiroshi Mitsuzuka, to stick to Tokyo's publicly stated goal of containing its trade surplus. "It is very important for their interests and for those of the world that they be successful in meeting their objective of avoiding a sustained significant increase in their trade surplus," he said.
- At the approaching Hong Kong meeting, the United States would support moves to strengthen the resources of the IMF "to deal with global financial challenges."

Mr. Rubin said that Washington had been following the financial events in East Asia closely.

"There clearly have been some serious financial instability issues in Southeast Asia," he said, "and I think the answers ultimately lie in restoring confidence, and confidence comes from opening capital markets as well as from following sound macroeconomic policies."

The secretary stressed, however, that he was not suggesting that liberalizing capital markets alone was a remedy for East Asia's woes. "Confidence also depends on financial systems that are transparent and well regulated," he said.

A number of Asian financial authorities fear that if they are forced to open their financial services markets — an issue they now face in the latest round of WTO talks — a flood of foreign investment banks would swarm in to take business away from local players. But Mr. Rubin, a Wall Street veteran himself, disagreed.

"I think that having experienced and well-capitalized foreign firms is a great benefit to these countries," he said. "It brings expertise, capital and a worldwide network."

Asked if he thought a market-opening deal in financial services could be achieved by the WTO's Dec. 12 deadline, Mr. Rubin said, "We continue to work on it, but I can't tell you whether it is going to happen by December 12 or not."

Mr. Rubin said he expected the situation of Thailand, which last month secured a $17.2 billion emergency bailout, to be at the center of both the G-7 talks on Saturday and the subsequent IMF meetings.

When asked if he was worried that the situation in East Asia could cause any fallout in U.S. markets, Mr. Rubin said no. "I don't think we have seen any evidence of that," he replied.

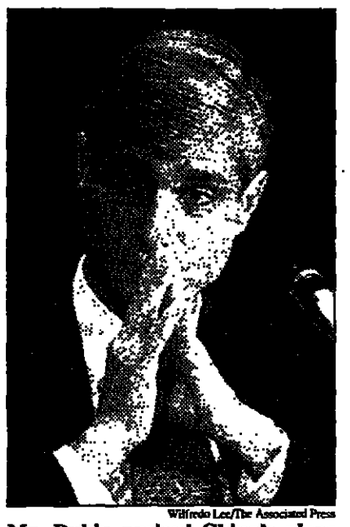
Reacting to Japan's soaring trade surplus, which in August rose by 113.6 percent year-on-year, to $6.16 billion, Mr. Rubin said the issue would be discussed during the G-7 meeting.

"Earlier this year," he explained, "the Japanese prime minister set forth an objective of domestic demand-led growth and of avoiding a significant increase in the trade surplus, and it is very much in their and our interests that those objectives be met. The challenge is now to see how they are going to do that."

■ Going to Bat for Boeing

In Seattle, Mr. Rubin also said that Boeing Co. was negotiating an aircraft sale with China and that he would discuss the issue with leading Chinese officials in Beijing next week, Bloomberg News reported.

"What I intend to do," he said, "is carry our view to China about what an enormously strong interest we have in Boeing having an opportunity to engage in this transaction with China."



Wilfredo Lee/The Associated Press

Mr. Rubin praised China's plans to liberalize its economy as "significant" and "very constructive."

TECHNOLOGY: *China Nears Approval*

Continued from Page 1

several participants said he suggested, in the words of one, that "the die was cast."

"We have made substantial progress toward meeting the requirements for certification but we are not there yet," Mr. Einhorn said Wednesday in a phone interview.

Sources said he had told lawmakers and staff members that, as part of the deal, China has agreed to cancel or postpone indefinitely several projects at secret nuclear facilities in Pakistan and a "uranium conversion facility" in Iran that U.S. officials worried would help Iran learn how to produce weapons-grade uranium for bombs. However, China has not agreed to a U.S. request that it cease all nuclear cooperation with Iran.

An American official said that one issue that continues to separate the two sides is U.S. insistence that China expand its regulations to include nuclear technology that has both military and civilian applications — such as ring magnets, which reportedly were sold to Pakistan last year, and a calutron, an electromagnetic device to separate isotopes, which China sold to Iran in 1987.

Certification would bolster not only Chinese-U.S. relations but also the American nuclear energy industry, which is reeling because no plants are being built at home. Such American energy companies as Westinghouse, ABB Combustion and General Electric have lobbied intensively for the certification.

The United States and China signed a nuclear cooperation pact in 1985 but Congress, worried about Chinese sales of nuclear-weapons technology to Pakistan and Iran, passed a law that required the president to first certify that China had stopped such proliferation. The Reagan, Bush and first-term Clinton administrations did not grant such certification.

PARTY: *China's Leadership Shake-Up Seen as Victory for Jiang*

Continued from Page 1

preted as an indication of his disapproval of Mr. Jiang. He was the only member of the all-powerful seven-man standing committee to miss the event.

Mr. Qiao's disappearance from the leadership was part of a much wider reshuffling in the top ranks of the party.

Delegates to the party congress, who were given a limited choice of candidates, selected 107 new members to the Central Committee. More than half of the previous Central Committee, 103 members altogether, were eliminated either before or during the vote.

Though many of the people pushed off the Central Committee were in their 70s, advanced age is not usually a barrier to Chinese leaders with influence. All but one of the top leaders are in their late 60s or 70s.

Among the most prominent names left off the Central Committee were Liu Huaqing, a Politburo member and the only military man on the seven-man standing committee; Yang Baibing and Zou Jiahua, both Politburo members; Ren Jianxin, head of the Chinese Supreme Court, and Zhang Zhen, deputy chairman of the Central Military Commission.

The exit of the military men, Mr. Liu and Mr. Zhang, clears the way for Mr. Jiang to put his own hand-picked generals to become the nation's top uniformed officers. Though Mr. Liu had been resisting pressure to leave his position, Mr. Jiang will now be free to appoint a new top military officer and is expected to pick Zhang Wannian.

Also dropped from the Central Committee was Hu Ping, son-in-law of Deng Xiaoping, the country's former paramount leader, and head of the Poly Group, a diversified company associated with the military and active in the arms dealing business.

Omitted as well were Zhou Nan and Lu Ping, the top Chinese officials for dealing with Hong Kong before the handover of the territory by Britain to China, and Wang Tao, head of the Chinese National Petroleum Corp.

Several officials close to Mr. Qiao lost their seats on the Central Committee, including Hu Qili, minister of electronic industry and one of the few survivors of the inner circles of late 1980s political reform leaders, and Wang Hanbin, a top National People's Congress official. But other close associates of Mr. Qiao managed to hang onto their seats, including Mr. Qiao's top deputy, Tian Jiyun.

One anachronistic holdover — Hua Guofeng, the successor hand-picked by Mao Zedong in 1976 and removed by Deng Xiaoping in 1978 — remains a member of the Central Committee, though he has not been active in politics for many years.

AIDS: *Outcry on U.S. Tests in Third World*

Continued from Page 1

have otherwise received, since AZT is not affordable in the Third World. But some critics suggest that this argument is reminiscent of defenses offered for the Tuskegee experiment, in which researchers watched the ravages of syphilis while saying that the subjects of their study, poor black men from rural Alabama, would not have been treated in any case.

Dr. Marcia Angell, executive editor of The New England Journal of Medicine, wrote in Thursday's issue that the AIDS research represents a "retreat from ethical principles."

In the United States, advocates for AIDS patients have all but eliminated placebo-controlled clinical trials by demanding that every patient have access to some kind of drug therapy.

Several experts in medical ethics said they had urged U.S. officials to abandon the studies, or at least reconsider. The National Bioethics Advisory Commission may address the matter when it meets in Washington this week.

"I wouldn't do this study without a design that would let me run it without a placebo," said Dr. Arthur Caplan, director of the Center for Bioethics at the University of Pennsylvania. Still, Dr. Caplan says, the Tuskegee analogy is inappropriate because the Alabama men were falsely told that they were getting treatment.

Others agree, and say that that there is nothing wrong with U.S. researchers' tailoring their studies to the health care systems of other nations.

"The facts are different in different places," said Dr. Norman Fost, director of the medical ethics program at the University of Wisconsin.

U.S. health officials defended the experiments, saying that officials in the foreign countries chose to use dummy medication in the studies. And privately, they worried that the outcry would force them to cancel the research, a move that they said would cripple their efforts to control AIDS in countries where it takes its most devastating toll.

"This wasn't something that we did behind closed doors," said Dr. Helene Gayle, who directs the AIDS program at the U.S. Centers for Disease Control in Atlanta. "This was done with a lot of discussion from the international community, following international codes of ethics. Part of doing ethical trials is that you are answering questions that are relevant for those countries."

Dr. Glenda Gray, a pediatrician in South Africa who is taking part in similar studies paid for by the United Nations, said that "in our wards, 30 percent of children admitted each day are HIV-positive." She added: "I've buried hundreds of children. I'm seeing their mothers die. We need to find a magic bullet for every woman in the world."

ACCESS: *Democrat Donor Says Gifts Gained Him Officials' Ears*

Continued from Page 1

changed policy as a result of their contributions.

■ Ex-Aide Tells of Push for Donor

Edward Walsh of The Washington Post reported earlier:

Ms. Heslin told the committee that a Tamraz ally at the Central Intelligence Agency, identified only as "Bob of the CIA," provided her with misleading information about Mr. Tamraz and "lobbied" her on his behalf. She said a senior Energy Department official bluntly told her that Mr. Tamraz would contribute $400,000 to the national party in return for a formal meeting with the president. The director of central intelligence, George Tenet, has ordered an investigation of the matter.

According to Ms. Heslin, John Carter, who has since left the Energy Department, called her in early April 1996 and told her that Thomas (Mack) McLarty, senior counselor to Mr. Clinton, was interested in Mr. Tamraz's pipeline project and wanted him to meet with the president. Mr. Carter also said Mr. Tamraz had already given $200,000 to the Democratic National Committee and would donate another $400,000 to the party if a meeting was arranged, she said.

"He was pressuring me," Ms. Heslin said. "I'd never had a conversation with Jack like that before or since. He is a gentleman, and he wasn't very gentlemanly during that talk. He said that Mack was also representing this because the president wanted him to do this."

When she warned Mr. Carter that she would go to senior security council officials to block a Tamraz meeting with Mr. Clinton, "he told me I shouldn't be such a Girl Scout," Ms. Heslin said. "He was really unpleasant. It was a tough conversation."

In a written statement to the committee, Mr. McLarty denied ever speaking to Mr. Carter about Mr. Tamraz or saying that Mr. Clinton had directed him to support the pipeline project. His account was supported by a written statement from Charles Kyle Simpson, an Energy Department official who was asked by Mr. McLarty to provide more information about the pipeline project.

Mr. Carter, who will also testify before the committee, has given Senate investigators a different version of his conversation with Ms. Heslin. A Democratic Party lawyer said Mr. Carter had denied in a deposition that he had pressured Ms. Heslin, that he had linked donations to the national committee to a meeting with Mr. Clinton or that he called Ms. Heslin a "Girl Scout."

Ms. Heslin's handwritten notes about her conversation with Mr. Carter, released by the committee, have the words "Roger Tamraz-DNC" followed by the figures "$400,000-$200,000" and the phrase "Pres want." Ms. Heslin also jotted down and underlined Mr. McLarty's name in the notes.

BRIEFLY

Pieces of Wreckage Linked to 2 Planes

WALVIS BAY, Namibia, — Burned pieces of aircraft, deflated life-jackets and personal effects from one of two military planes believed to have collided off the Namibian coast last week were unloaded at Walvis Bay harbor on Thursday.

The Yoko-Tani, a fishing vessel that traveled for 33 hours from the scene where the wreckage was found, unloaded the first debris of the plane crash at 6.40 A.M. (0440 GMT). It is not known whether the wreckage was from the German Tupolev-154 or the U.S. Air Force C-141, both of which vanished on Saturday, with the presumed death of 33 persons. *(Reuters)*

Israelis Retaliate For Soldier's Death

MARJAYOUN, Lebanon — Guerrillas attacked Israelis in southern Lebanon on Thursday, killing one soldier and provoking an Israeli air strike and artillery bombardment, Lebanese officials said.

The shelling of Lebanese villages facing the Israeli-occupied zone of southern Lebanon wounded five civilians, one seriously, they said.

In a second retaliation, two Israeli jets fired missiles at suspected positions of the Iranian-backed guerrilla movement Hezbollah. There was no immediate report of casualties. *(AP)*

Execution in U.S.

JARRATT, Virginia — A Mexican convicted in the 1991 murder-for-hire slaying of a U.S. Navy cook in Virginia Beach has been executed despite a plea for clemency from the Mexican government.

Mario Benjamin Murphy, 25, was put to death Wednesday night by lethal injection in Virginia's death chamber at the Greensville Correctional Center.

Though the defendant admitted committing the crime, Mexican officials asked Governor George Allen to commute the sentence to life in prison and offered to keep him in a Mexican jail if clemency was granted.

Mexico does not have a death penalty.

The U.S. Supreme Court rejected an appeal. *(Reuters)*

Treasure in Peru

LIMA — Archeologists have uncovered an ancient tomb in Peru, probably belonging to a tribal ruler and containing 1000 B.C. gold ornaments that they believe are the oldest in the Americas.

A Japanese archeologist, Yoshio Onuki, and a team of Peruvian experts discovered the tomb, with seven perfectly preserved gold pieces used mainly as ear-ornaments, at a pyramid buried in the ground in the northern highland zone of Cajamarca.

Alvaro Puga of the government's National Culture Institute said on Wednesday it was not clear which of Peru's various B.C. cultures had dug the tomb. *(Reuters)*

23 Mine Workers Die in Explosion In Arctic Norway

Agence France-Presse

LONGYEARBYEN, Norway — Twenty-three Russian and Ukrainian miners were killed Thursday when an explosion ripped through a mine shaft in Barentsburg, in the Spitzbergen archipelago of Arctic Norway, officials said.

There were 34 survivors among the miners in the mineshaft when the explosion occurred, a spokeswoman for the Svalbard regional authorities said.

The mine is operated by a Russian company, Trust Arktikugol.

In Moscow, the Russian ministry for emergencies said 13 miners had died and 10 were missing. Quoting an Arktikugol company representative at the scene, it said 46 miners had been in the shaft. A ministry spokesman said there were 23 survivors.

The cause of the explosion was not immediately known, but initial assessments by emergency teams indicated it may have been caused by fire damp, a kind of methane gas that hides in coal seams and that is volatile when it escapes into the atmosphere.

Regional authorities said that 13 bodies had been found, and 10 others were being sought, but that the rescue workers' task was dangerous and they were having to take care not to risk their own lives.

The accident was Norway's biggest mining disaster since 1962, when an explosion killed 21 men.

هكذا من الاصيلة

INTERNATIONAL

Perils of Privatization Pose Biggest Hurdle for France and Its Socialists

By Joseph Fitchett
International Herald Tribune

NEWS ANALYSIS

PARIS — As the Socialist government tries to revitalize the creaky French economy, no issue is proving harder to manage, or more disturbing to its neighbors, than the nation's unsteady performance on privatization.

Prime Minister Lionel Jospin has stumbled in a political balancing act: meeting the pressures of global economic rivalries while not copying the all-out commitment to market values that prevails in the United States, most of Europe and Asia.

The government said Thursday that Thomson-CSF, the nation's biggest defense contractor, would be partially privatized, with the state's share dropping below 50 percent.

But Defense Minister Alain Richard said the government intended to keep a "decisive voice" in Thomson as the company took in French and other European partners whom he said had accepted France's role in Thomson.

But a more candid-sounding leak by a fellow-minister last week indicated that the government's share would be reduced to a minority in the emergent European multinational, situating the government's influence mainly as a potential customer for weapons, not as a shareholder. Thomson would then resemble the privately owned British Aerospace or Daimler-Benz Aerospace.

This partial privatization is a formula similar to the recent decisions to open the capital of Air France and France Telecom to private investment. In all three cases, it amounts to a mixed signal to international investors and French political circles about the government's intentions.

Was it starting a program of "creeping privatization," as the government's Communist coalition partners charged? Or did it really believe, as Finance Minister Dominique Strauss-Kahn said, that privatization "will make these companies fully competitive" without ending state ownership?

The answer, as explained by a cabinet minister who asked not to be identified, seems to be that the Socialist government is playing for time, hoping to gradually formulate a national consensus on an issue that continues to split France in what Mr. Strauss-Kahn calls a paralyzing "war of religion."

"It's smart politics, but the Socialists may have underestimated the real cost in lost economic opportunities," said a U.S.-based executive of France Telecom.

A Socialist adviser, who also asked not to be identified, said: "This government could bungle France's industrial future and Europe's integration." Politically, a French hold-out could jeopardize prospects for a European-wide industrial restructuring to compete with America and Asia.

Bonn and London insist that this process be market-based. Germany was "disappointed" by Paris's reluctance to privatize France Telecom, a German official said before a two-day summit meeting that began Thursday in Weimar, Germany.

In those discussions, the French Socialists seem bound to say, in substance, that they will have more room for maneuver later. On Thomson, for example, a cabinet minister said last week that the government was prepared to cede control in the long run over the company, the strongest in the country's heavily state-owned defense sector.

The minister told reporters last week, on condition of anonymity, of plans to merge Thomson with other defense electronics companies, first domestic and then from neighboring countries, to produce a European giant capable of competing with the U.S. colossus, Hughes-Raytheon Inc.

This backdoor approach seems designed to let the Socialists transcend the paralyzing controversy in France about the quasi-religious dogmas of state ownership versus privatization.

Offering a less polemical approach, the minister said the government would privatize state-owned companies that would benefit from moving into the private sector — for example, gaining appeal as partners for privately owned companies in international alliances. Thus, Paris will auction off to the best corporate bidder two big financial companies — GAN, an insurance and service company, and its banking subsidiary, CIC.

At the same time, he said, public-service companies seen as a factor of social and economic justice within France — such as railroads and utilities — will remain under state control while being helped to "evolve" to improve their performance and competitive position.

This go-slow approach, officials say, is unavoidable because of the public's special hangups about privatization — a resistance that colors the entire political spectrum here.

While privatization is much more widely accepted than in years past, many ordinary people still view it as a form of white-collar crime, in which capitalist speculators get control of companies built by the labor and taxes of French workers. Even though it depends heavily on government subsidy, Thomson Multimedia was able to fend off a foreign takeover bid last year partly by mobilizing public sentiment behind the slogan that the deal amounted to "selling off crown jewels" of France.

The left still defends the virtues of state control and, perhaps more surprisingly, privatization has only limited support on the right in France, where many conservatives mistrust the market and support business-government marriages as a special French asset.

President Jacques Chirac, a conservative, contends that France can impose its special model of economic modernization featuring state control of key public-service companies — electricity and railroads, say — a view that has brought clashes with the market-liberalization drive of the European Commission.

Just as there is scant pressure in France for deregulation, the notion that privatization offers the best way to cut reliance on the state has a small constituency. The last conservative government failed when it attempted a few high-profile privatizations, notably, but not uniquely, Thomson.

Against that background, some analysts insist that Mr. Jospin's cautious approach could prove to be the fastest way to get state-owned companies under market discipline.

"Once a company's stock is on the market, even a minority share, it is effectively privatized because management can no longer ignore investors," said Francois de Witt, editor of Votre Argent, a money magazine in Paris.

And Gerard Worms, a French industrialist and now an executive at the investment bank Rothschild & Cie., said that the Jospin government probably did "as much as possible with France Telecom in light of the political sensitivities."

EURO: *To Franz Schmid, a Common Currency Is Disaster, but to Helmut Kohl, It's Hope*

Continued from Page 1

nomic philosophies. But supporters insist that this surrender of national sovereignty is the only way for Europe to challenge the United States' global economic power, closing the American century with an act of European emancipation.

Chancellor Helmut Kohl of Germany, already in the history books as the helmsman of German reunification, thinks he has a vision that will immortalize him a second time: End a bloody century — in which Europe twice ripped itself to shreds and the United States twice came to its rescue — by creating a single money in a market of 372 million people that will usher in a united Europe with a united Germany at its heart.

He is bolstered by France, also a prime architect of the euro, which harbors a strategic desire to harness German economic power inalienably to its own political ambitions.

Chancellor Kohl, seeking to reassure his fellow Europeans once and for all about his country's intentions, stands ready to sacrifice the country's best-loved symbol, the Deutsche mark. It is an extraordinary political step — akin to suggesting that the surrender of the American flag might somehow be in its people's interest.

The euro will rise or fall with Germany, which accounts for 25 percent of the European Union's total output.

The outcome remains very much in doubt. The euro is to become Europe's money on Jan. 1, 1999. Will it bring strength or chaos, unity or renewed outbursts of European nationalism, as a Frankfurt bank becomes the scapegoat for massive unemployment?

Faces at the European Commission in Brussels tend to light up at the euro's potential to spur Europe's economy. But Mr. Schmid, the retired hairdresser, sees folly where so-called Eurocrats see fortune.

His fears are those of the average German burgher. He has given some of his savings in marks to his son, Toni, to change into dollars. He equates the dollar's 20 percent appreciation against the mark over the last year with the mark's looming demise.

Franz Schmid was 12 years old when, in 1923, inflation reached more than 2 billion percent in Germany. To buy $1, a person needed 4.2 trillion marks. In the same year, the young Adolf Hitler was arrested after he tried to lead a march on Berlin.

His family ruined, Franz was sent to work as an apprentice to a barber, only to be drafted into Hitler's army just as he had acquired his first hairdressing salon and was beginning to make his way.

Poland, France, Russia: Mr. Schmid invaded them all, an ordinary German swept along in a tide. Then, in 1944, he was captured by the Red Army and taken to a prison camp in Siberia. On carts in summer, on sleds in winter, he carried corpses out to woods where the wolves ate them.

Only his skills in cutting Soviet officers' hair saved him.

A second lesson in the vagaries of money awaited him on his return to a devastated Germany in 1947. His life savings — a bank deposit of 1,500 Reichsmarks — were worthless, devoured by the inflationary financing of the war. Dollars alone, sent by two sisters who had emigrated to New York, bought him food until a new currency, the Deutsche mark, was introduced on June 20, 1948.

"The new currency was hope, the first hope, really," Mr. Schmid said.

"I got married eight days later and the photographer asked for 100 marks, and that seemed a staggering amount. But with time, the mark became part of us. It was stable. Germany without the mark is not Germany! I feel I'm about to lose my money for the third time."

Mr. Schmid is now 86. Almost one-third of the Germans are over 55 and even many younger people grew up in homes where old, devalued Reichsmark bills were kept as symbols of money's vulnerability. It is, at the root, fear of chaos that leads 60 percent of Germans to say they oppose the euro project.

"It is amazing how deep the trauma goes," said Hans-Georg Gerstenlauer, the European Commission's representative in Berlin and an enthusiastic supporter of the euro. "I remember my parents talking repeatedly about hyperinflation, and they were infants when it happened."

During an interview, Hans Tietmeyer, president of the Bundesbank, talked repeatedly — almost obsessively — about the "sustainability" of monetary union: that is, the question whether Germany's low inflation and solid currency can be enduringly extended to the European Union. He repeatedly expressed concern that the euro might be blamed for the Continent's economic woes. He seemed to be fighting his own doubts.

In the end, Germany fears the euro as money but favors it as strategic salvation. This country is, on some levels, still trying to convince wary neighbors that its nationalism was buried with the Third Reich.

"We are looking for a different identity because nationalism is really taboo," said Walter Hasselkus, the German chief executive of Rover. "That identity is Europe."

The economic logic behind the plan is simple. "What," asked Jean-Claude Trichet, governor of the French central bank, "would the single American market be without a single money in Texas and California?"

In other words, the EU's single market in goods and services is incomplete without a single currency and will be invigorated by having one. Over 60 percent of the trade of EU states is with other countries in the union — the euro will simplify and stimulate this trade.

'What would the single American market be without a single money in Texas and California?'

Like many European executives, Horst Teltschik, a member of the executive board of BMW, the German auto maker, sees the case for the new money as self-evident: "We export one-third of our production to other European Union countries and we've suffered a lot from exchange-rate fluctuation. The euro will eliminate that risk."

For example, since BMW bought the British Rover auto company three years ago, sterling has appreciated more than 10 percent against the mark. As a result, the new Rover dealerships opened by BMW in Germany are having difficulties. "We should raise Rover prices to match the mark's level," Mr. Teltschik said, "but we can't, so for now we take losses."

Of course, companies trading between New York and San Francisco do not face such fluctuations. In this sense, the euro is intended to make Europe more like America. Corporations including Siemens and Unilever have made it clear that they believe they will benefit greatly from the change.

Executives say that business will be spurred by easier corporate planning, pricing and billing. European financial markets will be opened up to new competition; inefficient policies will be less sustainable; pressure will rise on countries to make their economies attractive to business.

The dollar will at last have a real rival.

The union's economy is roughly the same size as America's; it accounts for 20.9 percent of world trade, more than the United States' 19.6 percent; its population is bigger by about 100 million people, providing the largest single market in the world.

Why, therefore, should the euro not eventually make strong inroads into the dollar's international dominance, expressed in the fact that the dollar is the currency for close to 60 percent of international trade and 80 percent of financial operations?

Imagine oil priced in euros rather than dollars. Imagine the United States no longer able to assume that its deficits are automatically financed because the world wants dollars. Imagine Europe one day showing the same "benign neglect" for the euro that America does for the dollar because the domestic European market will be so big.

Such visions are by no means shared by everyone.

"A German racket to take over the whole of Europe," was what Nicholas Ridley, a former British industry minister, once called the euro. The remark revealed a corner of the British psyche. Abstruse and abstract, but as intimate as the coins in a pocket, the euro beams a spotlight into the diverse recesses of the European heart.

Until now, Britain, Denmark and Sweden have not committed themselves to join the planned "first wave" because of their reservations about the project. To these countries, the economics look too risky and the politics of a formal abandonment of national sovereignty too sensitive. But they may join later.

The United States has its doubts as well, although European integration has been in the American interest for more than 40 years. It has provided a steady opening of markets in which U.S. corporations from IBM to Toys 'R' Us have thrived. And integration has been a bedrock of America's postwar emergence as a European power.

Richard Holbrooke, a former ambassador to Germany and assistant secretary of state for Europe, was blunter: "Almost a decade has gone by since the Berlin Wall fell and, instead of reaching out to Central Europe, the European Union turned toward a bizarre search for a common currency. So NATO enlargement had to fill the void. Tell me, would you leave your money in German marks if the mark is going to become the lira and you can move to the dollar?"

Italy, however, is eager to dissolve itself and its lira into Europe as soon as possible. "We've always had a healthy inferiority complex here about tall, blond people," said Luigi Spaventa, a former budget minister. "For us, it's the euro or Africa."

In Portugal and Spain, where a decade of membership in the EU has been synonymous with the end of dictatorship and the advent of prosperity, the euro is similarly coveted.

France is more ambivalent. Despite the success of the *franc fort* policy, the French are little attached to their currency as a symbol of national prowess. Moreover, in the heady days of the Cold War's end, it was France that exacted a commitment from Germany to adopt the euro as a condition for reunification. But the cession of sovereignty that the euro entails raises the specter of an end to "La France."

In Britain, the ripples of Mr. Ridley's remark have not entirely faded.

Tony Blair's Labour government, breaking with the open hostility of many Conservatives, has called for a sober look at the euro. But unease persists about loss of sovereignty to a bank in Germany and the less flexible economic model of continental Europe. The Conservative Party has torn itself apart over the issue.

To attempt to marry such diversity by creating a European money may appear the folly of this fin de siecle. "Kohl wants the euro for the history books," said Denis Tillinac, a French writer. "But why must we pay for his obsessions? You can share a home, you can even persuade people to eat together, but you can't force them to make love."

The political theory in Paris and Bonn is that you can.

As Norbert Walter, the chief economist at Deutsche Bank in Frankfurt, put it, "Why not try to be great?"

Perhaps the answer is because it can be dangerous. Historically, monetary union has usually followed political union. Europe has chosen to do things the other way around.

There is no European government, and "peanuts" would be a kind description of Europe's budget. "Paltry" would be an overgenerous portrayal of Europe's foreign policy. As the Bosnian war illustrated, political Europe is still as feeble as it is fragmented. The projected expansion of the union in the next century to bring in Poland and other Central European countries could cause yet more fragmentation.

By minting a money without making a government, and by surrendering control of monetary policy to a central bank while shunning the establishment of other federal institutions, European states are heading into largely uncharted territory.

"This is the first time in history that the creation of a single money on a territory is not being accompanied by political centralization," said Olivier Klein, a French economist. "But money corresponds to a state power. And that is why we will have to move toward a more federal political structure in Europe."

Yet many European voters appear to despise the very federalism that the euro seems to promise. Herein lies the paradox of the euro, a project sometimes suggestive of a journey begun so long ago that nobody can remember why a certain destination was chosen.

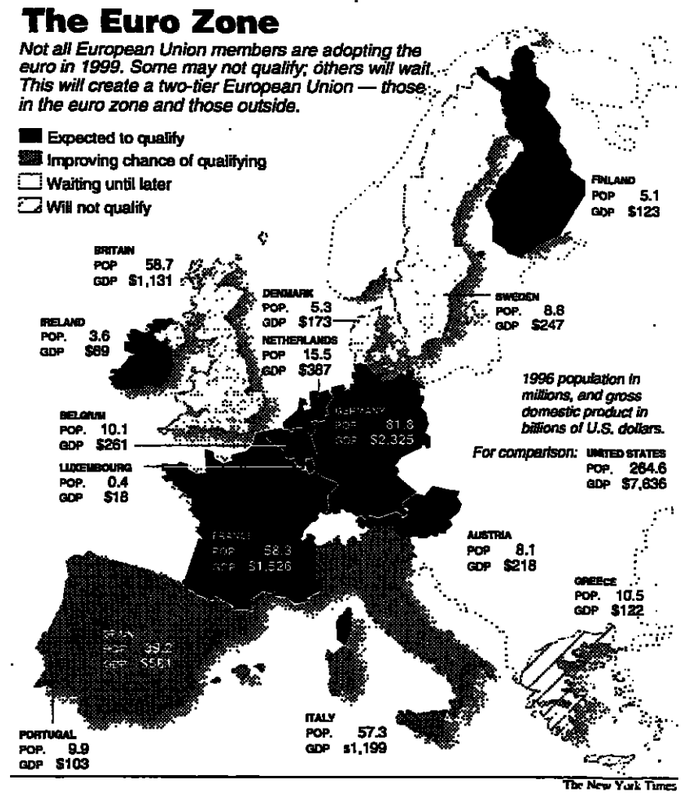
"We are going a new way in Europe," Mr. Tietmeyer, the Bundesbank president, said. "I don't see a ready

Michael Jung/Agence France-Presse

Theo Waigel, the German finance minister, presenting the reverse — or national — side of the proposed euro currency in Bonn. For his country, the coin will show oak leaves, the Brandenburg Gate or the federal eagle.

The Euro Zone

Not all European Union members are adopting the euro in 1999. Some may not qualify; others will wait. This will create a two-tier European Union — those in the euro zone and those outside.



The New York Times

Nor will a European federal budget transfer resources to Italy, as the U.S. federal budget transfers money to depressed areas through Medicare and Social Security payments.

Nor, finally, will there be room for generosity in national budgets, because of the new fiscal discipline: no deficits larger than 3 percent of output. This has been the Bundesbank's draconian condition.

Europe, in other words, had better be a truly convergent economy, more or less responsive to the same economic medicine from Helsinki to Lisbon or there will be tensions that will find a readily available target in the European Central Bank.

"How will a Europe with the euro deal with regional recessions?" asked Paul Krugman, a professor of economics at MIT. "I would put the odds of a collapse at one in four."

It is easy enough to imagine, for example, the invective of a group of newly unemployed French citizens told in mid-1999 that the government is essentially powerless because of decisions made in Frankfurt. Rather than uniting Europe, an unstable euro in a depressed Continent might easily spur new nationalisms. Currency speculators would be quick to seize on instability.

"One can certainly imagine potential disasters in the one-size-fits-all approach to monetary policy," Eddie George, governor of the Bank of England, said in an interview. "I am feeling nervous for the whole of Europe."

Toni Schmid, the hairdresser's son, works for the Bavarian state government. He is nervous, too.

But unlike his father, he may be more willing to accept the euro, however reluctantly. He sees that giving up the mark is the price for a united Europe to which Germany is irrevocably harnessed, a Europe whose economic policy is largely set by a bank in Frankfurt.

A member of the postwar generation, Mr. Schmid sees the euro as shaped less by the direct trauma of Nazism than by the angst of being German in the aftermath of the Holocaust.

Born in 1950, he was a member of the first generation of Germans to go abroad after the war. Everywhere, the mark was the finest money. In Western Europe it was admired, in Eastern Europe coveted.

But respect was not the only thing encountered outside Germany.

There was the realization, in Mr. Schmid's words, "that you were not normal." Your fathers had started the war and butchered millions of people. You had not chosen those fathers, but there it was. You were different.

On a visit to Ireland, Mr. Schmid recalled befriending a couple. He was French, she British. On parting, the woman said to him, "You know, it's really strange, I never thought I would have a German friend." The remark stuck in his mind.

And there, perhaps, lies the root of Germany's euro dilemma: a strong, much-loved money, the mark, on the one hand; an uncertain identity, a bad history, on the other.

A half-century after the war, the country, whole again, stands squarely at the center of Europe. Its economic domination is clear enough. The German economy is almost a third bigger than France's.

But Germany also has its doubts. And it knows — especially since reunification with East Germany — that its allies need constant reassurance. Indeed, the euro was given a decisive push by reunification. It was the most convincing reassurance, the most sweeping sacrifice, that Mr. Kohl could offer his neighbors.

There is a telling symmetry in the fact that the scheduled readoption of Berlin as the German capital — the return to the Reichstag and the Brandenburg Gate — is set to coincide with the adoption of the euro in 1999. The reunification with Germany's past will thus be tied to the abandonment of the Deutsche mark, the very emblem of German postwar strength. Put another away, Berlin will be reclaimed but with the lessons of Bonn.

"If you give away the mark you give away respect," Toni Schmid said, "and most Germans hate the idea. But Europe has been sacred for 50 years. No political party can say no to it. That is why Germans are not yelling."

Mr. Kohl is gambling that he can win over people like Mr. Schmid to his vision of a Europe where morale and growth can return to France and Germany, and where, perhaps, a new European identity can be born.

It will also be a place where interest policy reflects the interests of all European states.

The challenge facing the German chancellor is therefore enormous, and German history offers a cautionary tale. The last German leader to embark on such far-reaching change was Otto von Bismarck, who declared the creation of the German Empire in 1871. His united Germany, bringing together 18 states, grew out of the customs union, or *zollverein*, between German states established in 1834, just as the euro seems set to emerge from European customs union.

Within 19 years of German unification, however, Bismarck was ousted. Mr. Kohl, who reunited Germany in 1989, has been in power 15 years. The vote he faces next year will hinge on the politics of the euro. Like Bismarck, Mr. Kohl may yet find that his countrymen's memory is short.

"Kohl wants to be a European saint and he is ready to pay with the mark," said Toni Schmid. "But to many of us, the price looks too high."

NEXT: Throughout Europe, monetary union is shaking Europe like a massive electric shock, pulling down inflation and forcing the state to re-examine its role in the economy.

Herald International Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Misguided Abstention

About 100 countries agreed Wednesday on a treaty that will prohibit them from producing, using or stockpiling anti-personnel land mines and require them to remove mines they have already sown. Regrettably, the Clinton administration, after having failed to persuade other countries to agree to several loopholes sought by the Pentagon, withheld American support. That eliminates pressure on other holdout countries, like Russia, China and India, to join the land mine ban.

Ban supporters were right to resist the administration's efforts to dilute the treaty in search of a compromise acceptable to the Pentagon. Allowing America to carve out exceptions would have encouraged other countries to do the same. With a signing ceremony now scheduled for December, President Bill Clinton still has time to reconsider America's misguided abstention and sign the treaty as drafted.

The administration did try in recent days to soften some of the Pentagon's demands. But its attempts at compromise foundered, mainly on Washington's unreasonable insistence on a nine-year delay before the treaty takes effect. Such an extended delay is militarily unnecessary.

Washington also sought an exception for anti-personnel mines used in conjunction with anti-tank mines and a provision for withdrawing from the treaty during wartime. Like the nine-year delay, these changes would let the Pentagon continue using existing defense plans in South Korea rather than modifying them to conform with the treaty by its likely effective date of late 1999.

The humanitarian gain of banning land mines is worth the inconvenience of a faster, but still feasible, transition in South Korea. By the Pentagon's own calculations, South Korea's vulnerable capital of Seoul could be effectively defended against North Korean attack without anti-personnel mines.

The administration's quest for a compromise has been spurred by public opinion. Supporters of a mine ban now include many Congressional Republicans and retired military leaders like General Norman Schwarzkopf. The issue has attracted wider visibility since the death of Diana, Princess of Wales, who drew attention to land mine victims.

Mr. Clinton repeatedly identifies himself with the cause of banning land mines, which, as he noted Wednesday, kill or maim 25,000 people a year. With approximately 100 nations agreed on treaty language and much of world opinion behind them, Mr. Clinton should rethink his position and make America a leader, not a lagger, in this important campaign.

— THE NEW YORK TIMES.

Brawling Democracy vs. the Totalitarian State

By Jonathan Mirsky

MANILA — Consider the messy democracy in the Philippines and the reformist totalitarian state in China.

A political battle is raging in the Philippines because, without stating it openly, President Fidel Ramos appears to want a second term starting next year, which would violate the constitution unless his supporters contrive to change it before then.

Even critics acknowledge that Mr. Ramos has been an effective, perhaps outstanding, president. The Philippines has weathered the current financial slump in Southeast Asia better than most of its neighbors. Mr. Ramos promoted policies that put the stability of the region's first democracy on a sounder footing after years of near-ruin under the misguided, authoritarian rule of Ferdinand Marcos and the beginnings of recovery under President Corazon Aquino.

But Filipinos have an understandable aversion now to anything that smacks of a return to dictatorship. Every day, Mr. Ramos must face the press, which calls on him to divulge his political intentions. Editorials attack him and columnists brand him a liar, a cockroach and a rat under a dung heap. At 6 o'clock each evening, church bells ring and car horns sound to protest the illegitimate alleged ambitions of the president.

Recently, Cardinal Jaime Sin, the Philippine Catholic prelate who helped mobilize the mass "people's power" street demonstrations that eventually toppled Mr. Marcos and brought Mrs. Aquino to power, told me he feared Mr. Ramos's belief in himself as "a messiah" would bring about "a second Cambodia" — a bloody civil war in the Philippines. The cardinal and Mrs. Aquino are organizing a huge demonstration in Manila on Sunday to let the president know he must step down.

What a contrast with China. Over the summer, a group of elderly Chinese Communists met at the seaside resort of Beidaihe to plan the next five years. In secret conclave ahead of the party congress, they decided who would be the new prime minister, who would be in the Politburo, how far to proceed with the anti-graft campaign, how much the armed forces would be cut, how the economy would be managed and whether the party would reconsider its verdict on the bloody suppression of the students and others at Tiananmen Square in 1989 who sought, not the overthrow of the party, but greater accountability and an end to rampant corruption.

No Chinese newspaper offered criticism of the way these decisions were reached. No one suggested that Jiang Zemin might not be the best leader for the next five years. Apologists say: China needs strong government — look at what happened to the Soviet Union and the mess that followed the destruction of its Communist Party.

Yet in the Philippines under Mr. Marcos, the country was ruled by a political dynasty so venal that it caused the collapse of what had been one of the richest economies in Southeast Asia. Those were the years of Imelda Marcos's hundreds of pairs of shoes, the Marcos millions in foreign banks and the murder in broad daylight at Manila international airport of Mrs. Aquino's husband, Ninoy, who was Mr. Marcos's greatest adversary.

Even though Mr. Ramos, a former armed forces commander, helped overthrow Mr. Marcos, protected Mrs. Aquino from repeated coup attempts and then pushed the Philippines along the road to economic recovery, J. V. Cruz, a former Philippine ambassador to Britain, complained recently in The Manila Chronicle: "We put our president up on a pedestal and venerate him and then discover he's just a goddamned cheap liar." It is as if the Taiwan press, accompanied by the Dalai Lama, had moved to Beijing, where every day both attacked President Jiang.

The Philippines will be a better place if a resurgent people's power movement turns Mr. Ramos from his fateful political path. Should the peaceful protests fail and civil war erupt, as Cardinal Sin fears, at least many of the 70 million Filipinos will have made their voices heard.

But if a second Tiananmen comes to China — not necessarily in Beijing but, more dangerously, in the countryside, where discontented peasants are now regularly kidnapping officials and attacking Communist Party premises, and spreads from province to province — who will be able to say that the Chinese government was given fair warning?

The writer, Asia editor of The Times of London, contributed this comment to the International Herald Tribune.

Some Things to Consider in Reappraising the Asian 'Miracle'

By Philip Bowring

HONG KONG — It is fitting that the World Bank and the International Monetary Fund are meeting in Hong Kong when the Asian "miracle" is under scrutiny and received wisdom about economic growth needs reappraisal. Issues that ought be addressed include:

- *The merit of very open capital markets, as promoted by the IMF, the United States and now by the World Trade Organization.* Openness has always been a feature of Southeast Asia, but the extremes to which it has been taken led to massive inflows, investment bubbles and ultimately to currency and financial sector crises. Developing countries can easily be swamped or beached by flows from much bigger systems even if, like Indonesia, trade balances and macro management are sound and exchange rates flexible. More advanced countries like Korea could benefit from increased openness, but to date protection of their financial markets from volatile money flows has served them well.

Open markets work well, in theory, in allocating resources. In practice they rely heavily on the wisdom of foreign bankers and portfolio managers. Both species are known for a herd mentality, particularly when "discovering" new markets. Banking may be too important to be left to bankers creating credit excesses with other peoples' money.

- *The merit of the IMF/World Bank push for privatization of power, roads, telecommunications and so on.* This improves operational efficiency and works well in a strong institutional framework. However, all too often in Asia transparency is absent. The politically well-connected — rather than the most competent — have received franchises on excessively generous terms that burden the economy. The process also shifts debt away from the state, which can borrow long term, to private entities reliant on the shorter-term foreign funding that has been so damaging in Asia.
- *The pace of reform in China.* Party Congress rhetoric about a great leap forward in economic reform under Jiang Zemin needs examination. Corporatization and partial sale of state enterprises have been proceeding for four years. This will now be speeded up. But state control remains, thus the preeminence of political over market forces.
- *China's growth.* The World Bank has given credence to Chinese economic growth of 9 to 10 percent, the big lure for foreign investment. However, basic data such as those on power, imports, freight traffic and so on suggest significantly lower GDP growth.

Capacity utilization is pitiful. How much of the China "miracle" is due to increased data collection rather than real output, or represents inventory accumulation? And how far is China's 1995 devaluation and current dumping of excess capacity a cause of Southeast Asia's problems?

- *The financial health of Hong Kong.* Southeast Asian problems have been caused by huge capital inflows attracted by a dollar-based exchange rate leading to excess credit, particularly to real estate. Hong Kong has been receiving similar massive inflows, resulting in rapid monetary expansion and astonishing rates of credit growth to real estate, driving prices that have now risen 1,000 percent in 12 years. Real estate accounts for more than 40 percent of lending in Hong Kong, where the debt-to-GDP ratio is already higher than anywhere else in the region. Hong Kong also has a fixed exchange rate and $60 billion in volatile foreign portfolio investment.

Bankers say Hong Kong is "different" — despite its history of property related banking crises. Is it?

- *The benefits of very high levels of investment.* Easy money and belief in the quantity of investment have created excesses almost everywhere: in manufacturing capacity (China), buildings (Bangkok), grandiose projects (Malaysia) and asset values (Hong Kong). But the economy with the most stable growth and soundest currency has by far the lowest investment ratio: around 23 percent of GDP compared with nearly 40 percent in Malaysia, Thailand and China and 35 percent in Korea. Where? Taiwan. Proof perhaps that brain is more important than brawn, rates of return more important than amount of investment. If the region is to get back on track, the traditional commitment to education and a frugal use of resources must supplant giantism and get-rich-quick schemes for the politically well connected.

International Herald Tribune.

Backing Down in Bosnia

Free and fair elections are a standard and useful part of the international approach to sorting out internal tensions in broken countries. In Bosnia, however, the procedure is at risk of being twisted into a caricature of its high purpose.

The Organization for Security and Cooperation in Europe set up local elections in Bosnia. The idea was to let refugees vote for the day in the places they had been thrown out of, and thus to take a step toward their eventual permanent return, a prime Dayton peace goal. In the separate Muslim, Serb and Croat areas, the local nationalist parties mostly successfully resisted this ploy, but in perhaps 8 of the 136 municipal councils a victory by the returnees seemed possible. Small change? This is Bosnia.

But a particular problem arose when a Norwegian overseer of the elections ruled that a slate of Serbian politicians in the nationalist redoubt of Pale should be disqualified because of their ties to the indicted war crimes suspect Radovan Karadzic. His face was all over the place in open defiance of his Dayton obligation to fade out of politics. No sooner had word of the disqualification leaked, however, than the OSCE's man for Bosnia overruled the Norwegian to head off what he perceived to be the mob violence that the Pale Serbs were organizing against Western election observers, including 200 Americans.

Outsiders cannot know precisely how vulnerable the observers were thought to be. But the implications of the OSCE decision to buckle under mob pressure — pressure quite likely generated by the indicted, mocking Mr. Karadzic — are devastating. The man himself wins a symbolic victory. The OSCE will be at a further disadvantage in its continuing effort to put into effect the Dayton goal of a reintegrating, rather than a splitting, Bosnia. People cannot fail to ask where the 34,000 soldiers in the NATO-led Bosnia peacekeeping force were while this dismal exercise was playing out.

It was never in the cards that NATO and the OSCE were going to put Bosnia all back together again. But it was and perhaps it remains possible to keep intact the idea and some of the form of a single Bosnia and to induce some cooperation between the Serbs on one side and the tentative Croat-Muslim federation on the other. The danger is that this latest incident will feed a palpable growing international despair and lead people to think the best way is just to let Bosnia split, calling it peace. But it will be war.

— THE WASHINGTON POST.

U.S. 'Wait and See' Pose Could Spell Disaster for the Mideast

By Flora Lewis

PARIS — At least Secretary of State Madeleine Albright didn't pretend she saw some glimmer of promise for peace in the current Middle East situation. "If I can make a difference, I will be there," she said.

"If there is not enough happening for me to make a difference," she said, she would turn her efforts and time to other urgent issues.

It's honest as far as it goes. But it isn't enough. Things don't stand still in that distressed region. They deteriorate if there is no push for a solution, and it is clear that none of the parties involved is now able or willing to push in the right directions.

That means the push has to come from outside, which can only mean the United States. The United States cannot just stand aside and wait for the lowering storm to pass, or it will have to deal with worse trouble than Mrs. Albright encountered.

Prime Minister Benjamin Netanyahu of Israel is right about one thing. The Oslo formula has run its course, and it hasn't worked. It was based on the supposition that taking one conciliatory step at a time over a period of five years would gradually build enough confidence between Israelis and Palestinians to allow them to tackle a definitive settlement.

There is less confidence now than at the start. Former Prime Minister Shimon Peres, clearly heartsick at the loss of hope but trying to restrain his criticism of Israel's government from abroad, in Paris this week spoke of what he considered Mr. Netanyahu's major error.

"He is trying to make Arafat an agent" of Israel, he said. "You can't give him orders." This refers to the specific list of measures to repress terrorists that the Israeli government demands from the Palestinian Authority as the condition for moving on with negotiations, with no quid pro quo except "then we'll talk."

Meanwhile, Mr. Netanyahu is moving step by step to confirm Palestinian suspicions that the talks won't bring them the state they seek. New settlements, house demolitions, economic sanctions including the withholding of tax money that belongs to the Palestinians but was collected by Israelis — all this reinforces the view that Israel is determined to dominate indefinitely, that no compromise can be expected.

The Israeli prime minister is concerned about his own fundamentalists and hard right wing, on whose support his government relies. Israeli society has never been so deeply and bitterly divided, but he ignores the major opposition. He seems confident that he can count on the United States no matter what, so long as he can put the blame on Yasser Arafat. Washington may blink, mutter disapproval of some measures as Mrs. Albright did, but he responds with polemics.

So it is time for Washington to show where it expects the "peace process" to lead. The definitive negotiations were formally opened on schedule last year, and then forgotten. Mr. Netanyahu has proposed moving on with them. Fine, but what Yitzhak Rabin and Mr. Peres well knew but considered impolitic to admit should now be said openly: The talks will be about the terms and conditions for the Palestinian state, but they will bring a state.

Washington should now announce what it also knows but finds hard to say for its own political reasons. It will recognize the Palestinian state as soon as acceptable terms are defined. That will help Mr. Arafat regain the leadership authority he needs to oppose terrorism.

It will help Egypt's Hosni Mubarak and Jordan's King Hussein to argue for peace.

It will bring a rage of protest, from Mr. Netanyahu and his constituency and from part of the American Jewish community. That has to be faced. American Jews are also divided, a small minority dedicated to peace as fast as possible; another minority — very well organized, vocal and skilled in the uses of political contributions — against any risks or concessions for peace, and an uneasy, uncertain majority, as in Israel.

The political art has to be in finding the way to give voice and heart to that majority. It would take a real act of courage from President Bill Clinton, and it would be a real act of statesmanship. It would show Mr. Netanyahu that he must please more than his right wing, that he does not have endless time at his disposal to create new faits accomplis.

Otherwise, there is no chance of breaking the impasse without a new, much greater shock. Given the forces involved and the complex relations, it isn't likely to be another conventional war, though that can't be ruled out in such a neighborhood. It is likely to be distressingly violent.

For Washington to make a difference, it too must take a risk. It is far smaller than the risk of "just wait and see if something turns up." That is the policy of Charles Dickens's Mr. Micawber. It never got him anywhere.

© Flora Lewis

Pill-Popping Dangers

The withdrawal of two popular diet drugs from the U.S. market this week is a useful reminder that it is always risky to pop pills for long periods even if they have been approved as safe and effective by federal regulators. In this case, the drugs had been approved by the Food and Drug Administration only for the most obese patients. Yet reckless doctors and diet clinics dispensed them to millions of pudgy Americans who demanded access to the latest weapon in the endless battle against overweight. Only later did it become clear that this supposedly miraculous magic bullet was capable of misfiring and doing more harm than good.

The drugs, known as fenfluramine and dexfenfluramine and sold under the brand names Pondimin and Redux, act by depressing the appetite. They are often used in combination with another drug, phentermine, which increases the rate at which calories are burned. The combination is known as fen-phen.

Pondimin has been on the market since 1973, when it was approved as safe for short-term use of a few weeks. But it was a close call less than two years ago whether the Food and Drug Administration would approve Redux, the newest drug. An advisory panel of experts first voted, 5 to 3, against approval because of insufficient long-term studies and concerns that it had been linked to a rare but fatal lung disease in Europe and to brain damage in animals. But two months later the panel reversed itself by a 6-to-5 vote, reasoning that the potential benefits for seriously obese patients outweighed the risks. The FDA approved the drug in 1996.

At that point there was not even a hint that the drugs could damage heart valves, the problem that has suddenly surfaced. More than 90 patients have now developed heart valve disease, and a new evaluation suggests that some 30 percent of those taking the pills may have suffered valve damage without yet developing symptoms.

Although the case against the drugs is not ironclad, the manufacturers, at the request of the FDA, took the only prudent course in withdrawing them from the market. The FDA did not request withdrawal of phentermine, the third widely used obesity medication, which has not been implicated in the heart valve problems.

In recent years the FDA has been under enormous political pressure to speed up its approval of drugs, especially those for which patients are clamoring. Whether that pressure played any role in the decision to approve the new diet drug despite the questions raised about it is uncertain. But the episode clearly points up the difficulties of ensuring that drugs are both safe and effective.

The FDA had recommended that both the drugs now withdrawn be used for seriously obese people, not for the millions who want to shed 5 or 10 pounds. But once a drug has been approved for one purpose, doctors are free to prescribe it for other purposes that seem appropriate in their professional judgment. In this case, patients who were only moderately overweight demanded the drugs and all too many doctors were happy to oblige them.

— THE NEW YORK TIMES.

Political Acrobatics in Stable Poland

By Charles Gati

WASHINGTON — Should Poles worry more about Moody's than about Moscow this year? The prestigious Wall Street rating agency is doing what the old Soviet Union used to do — and what today's Russia would like to do. Tell the Poles what to do or not to do.

Moody's is concerned about the outcome of this Sunday's Polish parliamentary elections, which the pollsters call a toss-up. The rating agency says that if the Democratic Left Alliance, dominated by former Communists, should lose after four years in power, "Poland's economic achievements registered to date" will be imperiled. Given its "nationalist-syndicalist-populist message," Moody's expects the Solidarity Electoral Action, the main opposition party, to adopt looser "fiscal and monetary policies as well as a xenophobic approach" to privatization.

This is strong stuff, the kind of unwelcome warning emerging countries often hear from the International Monetary Fund, the World Bank or George Soros. The Polish reaction, unlike Malaysia's recent outburst against Mr. Soros, is muted because most Poles are intrinsically pro-Western and indeed pro-American. But the financial markets there are nervous. The Warsaw stock market, up by more than 60 percent in dollar terms in 1996, is flat now. In the absence of foreign investors, government bonds remain unsold.

What makes the story intriguing is that the financial community in the West and in Warsaw, too, is rooting for the re-election of Poland's ex-Communist government and against Solidarity, the brave popular movement that undermined Communist rule a decade ago. The reason: On economic issues, the modern, even suave ex-Communists stand to the right of Solidarity and especially the two small parties that are its potential coalition partners. This is all rather odd because in the 1980s Solidarity, backed by 10 million anti-Communist Poles, and its leader, Lech Walesa, symbolized Western values of freedom and opportunity.

Since then many Poles have come to identify the "American model" with excessive income differentiation and economic pain. True, the country's successful reforms have generated impressive growth rates, and privatization has created a prosperous business community. And the United States is greatly appreciated for its role in pressing for the expansion of NATO. What creates uncertainty and frustration is the wide gap between the rich and the poor.

Where Solidarity has positioned itself is in favor of privatization but in opposition to the former Communist nomenklatura, which many see as the free market's main beneficiary. Its appeal resonates among voters who believe the heirs of the despised Communist regime should not hold power. Quietly supported by the Catholic Church, Solidarity also holds up family values and the principle of social justice, though its election platform on how to achieve them is vague. The party's slightly protectionist bent appeals to the unemployed, even if it contradicts Solidarity's strong commitment to Poland's future membership in the European Union.

While Moody's concern is thus not unfounded, it underestimates the solidity of Polish politics. For despite often wild campaign promises, all Polish governments since 1989 have pursued vigorous programs of economic change. There was great anxiety when the ex-Communists gained power four years ago; given their past record it was not self-evident they would even allow another free election to take place. Today this is not an issue, and the ex-Communists' economic policies have turned out to be closer to the values of the market than to the teachings of Marx.

The polarization of Polish politics is more apparent than real. Leaders of Solidarity are not a bunch of untested demagogues. Nor is the still-active red-boy network as effective as it used to be. Moody's overstates its case. It is more accurate to say that when it comes to economic policy, what was once the left is now right-of-center and what was once the right is now left-of-center. No one watching Washington's political acrobats these days should be surprised at how quickly politicians change their spots.

The writer, a specialist on Central Europe, is senior vice president of Interinvest, a global money management firm. He contributed this comment to The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Belgian Guard

BRUSSELS — The new law compelling foreigners to serve in the Belgian Civic Guard is causing considerable uneasiness among the foreign population. American citizens have been the first to take up the matter. There is a treaty between the United States and Belgium which provides that no Belgian citizen shall be called upon for any military service whatever in the United States and *vice versa*. It is rumored that the Belgian Government will attempt to uphold the theory that service in the Civic Guard does not constitute military service.

1922: Lonely Monarch

GENEVA — There is a vacant throne waiting for an American heiress willing to become the bride of a young and handsome, but lonely, monarch in the Balkans. The sovereign in question is King Boris of Bulgaria. The Bulgarians, a practical, democratic people, have lost faith since the war in the value of royal alliances and believe that an American Queen would prove a greater asset to their country than a European princess.

1947: Russian Tirade

NEW YORK — Andrei Y. Vishinsky, Russia's deputy Foreign Minister, turned the rostrum of the United Nations General Assembly for a full hour and a half into a soap box for a tirade against what he called American monopolistic provocation of a third World War. In the guise of a reply to Secretary of State George C. Marshall's call for a body to bypass the UN veto, Mr. Vishinsky accused hundreds of individuals and institutions — including The New York Herald Tribune — of militaristic, evil preparation for the destruction of peoples.

Herald International Tribune

ESTABLISHED 1887

KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
Co-Chairmen

KATHARINE P. DARROW, *Vice Chairman*

RICHARD McCLEAN, *Publisher & Chief Executive*

MICHAEL GETLER, *Executive Editor*

• WALTER WELLS, *Managing Editor* • PAUL HORVITZ, *Deputy Managing Editor*
• KATHERINE KNORR and CHARLES MITCHELMORE, *Deputy Editors* • SAMUEL ABT and CARL GEWIRTZ, *Associate Editors* • ROBERT J. DONAHUE, *Editor of the Editorial Pages*
• JONATHAN GAGE, *Business and Finance Editor*
• RENÉ BONDY, *Deputy Publisher*
• JAMES McLEOD, *Advertising Director* • DIDIER BRUN, *Circulation Director.*
Directeur de la Publication: Richard McClean

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel.: (1) 41.43.93.00. Fax: Subscriptions, (1) 41.43.92.10; Advertising, (1) 41.43.92.12; News, (1) 41.43.93.38.
Internet address: http://www.iht.com E-Mail: iht@iht.com

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 1130800 Tel. (65) 472-7768. Fax: (65) 274-2334
Mng. Dir. Asia, Rolf D. Krauspuhl, 50 Gloucester Rd., Hong Kong. Tel. 852-2922-1188 Fax: 852-2922-1190
Gen. Mgr. Germany: T. Schlüter, Friedrichstr. 15, 60323 Frankfurt/M. Tel. +49 69/97125040. Fax: +49 69/97125020
Pres. U.S. Michael Conroy, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Fax. (212) 755-8785
U.K. Advertising Office: 63 Long Acre, London WC2. Tel. (171) 836-4802. Fax. (171) 240-2254
S.A.S au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337
©1997, International Herald Tribune All rights reserved.
ISSN: 0294-8052.

هكذا من الأصل

OPINION/LETTERS

A Lost Chance to Debate A Cruel Drug Policy

By Richard Cohen

WASHINGTON — In the Helms-Weld heavyweight fight, almost everyone won. Jesse Helms won because he got his way. William Weld, the former Massachusetts governor, won because he got national exposure for his likely presidential run, and President Bill Clinton won because he split the Republican Party and managed, once again, to take a nonposition position — this time in favor of both Mr. Weld and Mr. Helms.

So who lost?

We did.

We the people of the United States lost, and not only because Mr. Helms, a man with a brick for a brain, was able to cow the entire Senate. We lost because the issues that so vexed Mr. Helms and caused him to deny Mr. Weld a hearing — the medicinal use of marijuana and needle exchange programs for intravenous drug users — were not even debated. Mr. Weld favors them both, and this, we are told, is why Mr. Helms hates him so.

But Mr. Weld is right, and Mr. Helms is wrong. Mr. Helms's compassion and concern for human life, so evident in his furious opposition to abortion, nevertheless excludes drug addicts for some reason. Maybe he thinks they deserve to die.

True, they are junkies, but the fact remains that they risk their lives every time they use a shared needle. With the drug, they may also be getting HIV. Their deaths, both cruel and protracted, are more often than not going to come at the expense of the public. Their lives could be saved with needle exchange programs.

Study after study shows this to be the case — from one by New York's Beth Israel Hospital to a review by a panel of the National Institutes of Health. It stands to reason that if drug users are going to share needles, they are also going to share an HIV risk. If, on the other hand, they use clean needles, they are not going to get anything more from an injection than the drug they so crave.

The opposition to needle exchange programs is not so much scientific as it is moralistic. To some people, it seems just wrong to aid addicts in their addictions. But no evidence suggests that needle exchange programs abet drug usage, while plenty of evidence suggests that addicts will use whatever is available to satisfy their craving. In this case, a perfectly understandable moral argument is rebutted by some hard facts.

The argument in favor of the medicinal use of marijuana is not quite as strong — but nonetheless it is persuasive. Some studies indicate that marijuana has a medical benefit for cancer patients and glaucoma sufferers, reducing pain and the ill effects of chemotherapy. Others suggest that anything that can be done by marijuana can be done just as well by other — legal — drugs.

'Now, ah kin see y'all wantin' to smoke cigarettes for medicinal reasons — but marryjuana? Fergit it!'

But the fact remains that people who have used pot for medicinal purposes swear by it. Richard Brookhiser, a senior contributing editor at the very conservative National Review, used marijuana to relieve the nausea of chemotherapy for testicular cancer.

It would be one thing if the drug under discussion was both rare and extremely addictive. But marijuana is as common as red ties in Washington. About 70 million Americans have, as they say, experimented. As for its addictive qualities, they are largely exaggerated. Some people, predisposed in some way, apparently do get hooked. The same case, though, can be made against alcohol — and, in spades, about cigarettes.

In both cases — needle exchange and the medicinal use of marijuana — Mr. Helms is not only dead wrong but also cruel. He personifies the unwillingness of the political establishment to distinguish between drugs that are very bad and drugs that are not so bad, and its insistence on treating our national drug crisis mostly as a criminal justice matter and not as a public health issue. It is silliness to the point of cruelty to make a criminal out of a desperate cancer patient.

Mr. Weld gave Mr. Clinton an opportunity to make those points. But the president apparently once shared a needle with a political coward, and so he has said nothing on the subject. His drug policy has gone from nonexistent in his first term — not a single public service message — to mindless in the second.

As for Mr. Weld, he conducts himself like a pedigreed cat — haughty, independent and sufficient unto himself. He lost his ambassadorship and, probably, the patience of the White House, but he did not lose as much as the rest of us did — the chance to discuss a drug policy that is both inhumane and illogical.

The Washington Post.

Now, Fashion Victims Dress for Contempt

By Maureen Dowd

WASHINGTON — The last time I obsessed over the proper Look was when I began working at The New York Times.

For my first day on the job, I bought a navy blue sweater with a big duck on the front. It

MEANWHILE

seemed the kind of thing that would convey old breeding and quiet confidence.

The metro editor sent me to cover a soccer team pep rally at Columbia University. I got off at the wrong subway stop. A nice woman came up to me on 125th Street and said, with only a hint of amused disdain: "You must have forgotten to transfer. I don't think you want to be wandering around Harlem looking like that."

Flipping through the new 734-page (563 ad pages), 4-pound 5-ounce Vogue Fall Fashion Blockbuster, I didn't see any duck sweaters. I saw something scarier.

" 'Nineties sexiness is hard, violent,' says Tom Ford, who started the S&M trend with trashy thongs in his spring collection and then added spiky stilettos and patent straps for fall. Versus's collection was dominated by black leather; manacled models and sex-shop styling stole Alexander McQueen's spring '97 show; Helmut Lang featured 'bondage' details on coats; and Clements Ribeiro revved up girlish looks with fetish-inspired boots."

Of course, heroin chic is out. So I guess the pain must be clean.

Fashion can no longer get away with being autocratic. Once '70s styles were unfathomably recycled, it became perfectly plain that every woman should adopt any style she pleases. They're all in and they're all out. Anyway, has anything really new happened in fashion since the miniskirt? Nobody has the controlling cultural authority to tell women to what lengths they should go.

In 1950, Mary McCarthy wrote that the height of Vogue's power as "a forbidding monitor enforcing the discipline of Paris" had come 20 years earlier: "This paradoxical relation between magazine and audience had a certain moral beauty, at least on the subscribers' side — the beauty of unrequited love and unflinching service to an ideal that is arbitrary, unsociable, and rejecting, like Kierkegaard's God and Kafka's Castle."

But now the relationship is supposedly reversed, with the fashion industry kowtowing to consumers. Fashion mandarins chatter about how they are attuned to "realness," to the needs of women with frenetic lives who want functional clothes.

Realness?! This year their major bow to realness has been replacing fake fur with genuine dead pelts.

The look for fall can best be described as Park Avenue Dominatrix. Giant shoulder pads, skintight leather pants, animal skin and leather minis with hip-high slits, deep décolletage, feathers, fishnet stockings and 70-foot-high stilettos that would definitely leave you dressed to kill, or at least maim. Women are animals — get it?

Maybe the stilettos are designed to shatter the glass ceiling, or at least to scratch it. Still, this is a strange image of women's strength. In these clothes, you don't dress for power. You dress for contempt.

Women in this country have made revolutionary changes in their roles in the past 25 years. So why do we seem to be sliding back? The wage gap between men and women is widening again. And even more frightening, the Diane Von Furstenberg wrap dress is back.

But Vogue is insistent, with articles like: "Is the veil old hat? Underneath their black chadors, Tehrani women are flaunting fashion — from power suits to sexy slips." And "Armed and glamorous: From Beirut to Belfast, women living in battle zones maintain their style."

One writer, Marina Rust, went on assignment in New York to buy black leather pants. "The Leather Man is on Christopher Street," she writes. "I'm greeted by a display of handcuffs and asked to check my bag. The pink claim slip says SPANK ME."

In her "Letter From the Editor," Anna Wintour proclaims that, while some may wince, real fur is also back: "In fact, as I write this in mid-July, Steven Meisel is at an estate in New Jersey shooting supermodels swathed in fur in 100-degree heat. And they say they don't earn their money!"

The New York Times

LETTERS TO THE EDITOR

Ongoing AIDS Battle

Regarding "A Cheery Health Report for U.S." (Sept. 13):

While AIDS-related deaths declined 26 percent between 1995 and 1996 in the United States, this optimistic news does not reflect trends around the world. According to the United Nations AIDS Program, there are currently more deaths than ever due to AIDS.

It is estimated that one-fourth of all people who died of the disease since the epidemic started died during 1996. Of all the health problems in the world, AIDS is the only one that is continuing to increase at such an alarming rate.

The fact that the overwhelming majority of these deaths continue to take place in developing countries of Africa, Asia, the Caribbean and Latin America should not dampen increased global efforts in prevention, care, research and treatment. There is still so much we do not know about the HIV virus that causes AIDS and has already infected 30 million people around the world.

The fight against the devastating effects of AIDS cannot afford to be diminished.

RON MACINNIS JR.
Washington.

The writer is the AIDS program coordinator at the National Council for International Health.

On Protecting Religion

Regarding "An Unnecessary Focus on Religious Persecution" (Opinion, Sept. 13) by Anthony Lewis:

As we approach the second millennium, it's high time to tell it like it is: Religion is superstition. Democracy allows the superstitious — from Christians to Scientologists to Heaven's Gaters — the luxury to proselytize.

Belief is sufficient to itself. Wherever they live, those who hold religious beliefs should be content simply to do so, without requiring the protection of the state, whose duties to a more inclusive population are infinitely more important.

GERARD MENUHIN.
Gstaad, Switzerland.

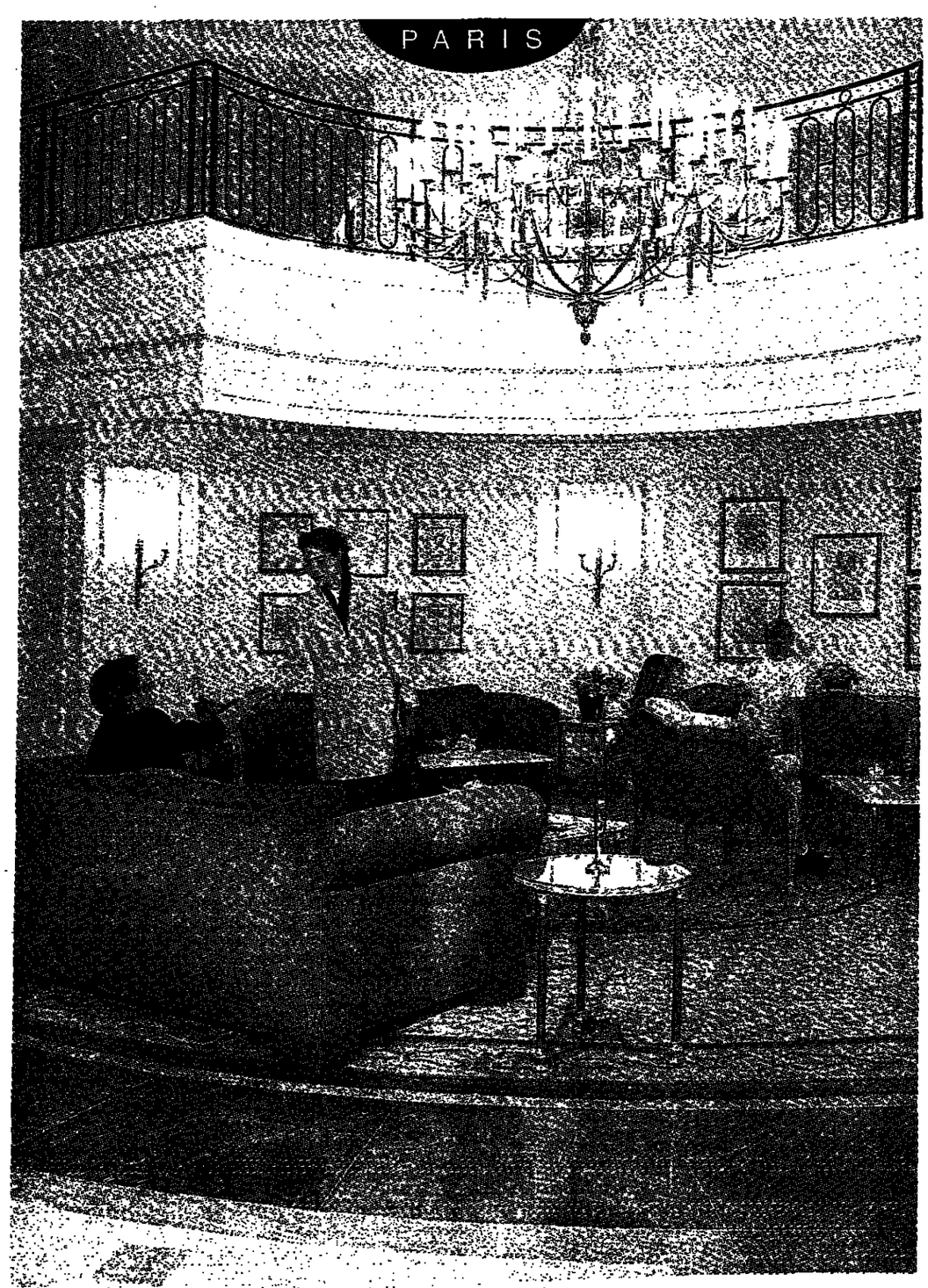
Not the Usual Suspects?

Regarding "Bomb in Ulster Shakes Peace Negotiations" (Sept. 17):

To blame the Irish Republican Army for this deed is illogical. The ones who gain most from this bomb are those who are opposed to the IRA's presence at the peace talks and to a peaceful resolution of the conflict. Extremist Unionists should also have been suggested as suspects.

PAULA BAVASSO.
Paris.

AMSTERDAM ANTALYA BRUSSELS COLOGNE DORTMUND DUSSELDORF HEIDELBERG HAMBURG ISTANBUL KARLSRUHE LEIPZIG MOSCOW PARIS PRAGUE VIENNA ZURICH



Designed so you don't want to leave.

Equipped to make it easy.

At Renaissance Hotels, you'll be enveloped in the glow of old world ambience. But the bustle outside continues, so we made reaching it fast and easy. All you have to do is use AT&T Direct℠ Service for fast connections with the clearest sound quality* on calls back to the U.S. And you can call to over 210 other countries—all at reasonable rates. So on your next trip, stay at a Renaissance Hotel—featuring AT&T Direct Service. We are specially equipped so you can complete your calls easily and slip back to life in the renaissance.

Renaissance Worldwide Reservations	
Austria	0660 8552
Belgium	080013219
France	0800 90 6540
Germany	0130 812340
Great Britain	0800 181737
Netherlands	0800 022 7337
Switzerland	0800 55 2620
The U.S. or Canada	1 800-HOTELS-1

AT&T Direct℠ Service Access Numbers	
Austria	022-903-011
Belgium	0-800-100-10
Czech Republic	00-42-000-101
France	0800 99 00 11
Germany	0130-0010
Hungary	00-800-01111
Netherlands	0800-022-9111
Switzerland	0-800-890011
Turkey	00-800-12277

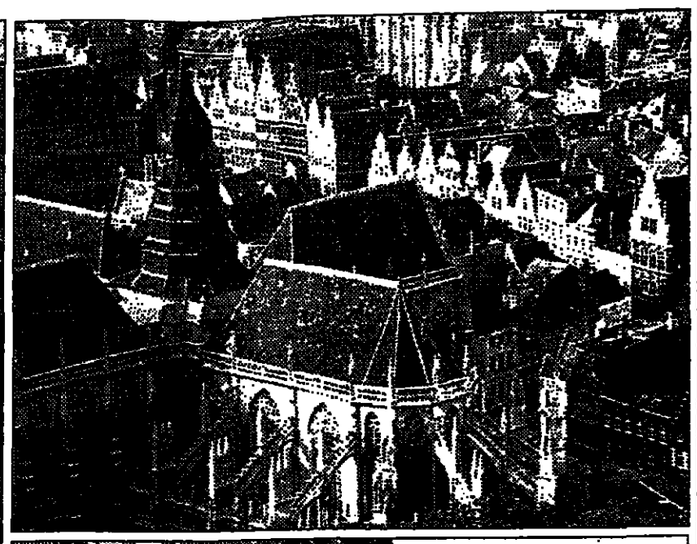
RENAISSANCE HOTELS AND RESORTS
The Mark Of A Fine Hotel.

AT&T

*Based on 1997 customer preference study compared to other U.S. carriers. ©1997 AT&T. All Rights Reserved.

AMSTERDAM ANTALYA BRUSSELS COLOGNE DORTMUND DUSSELDORF HEIDELBERG HAMBURG ISTANBUL KARLSRUHE LEIPZIG MOSCOW PARIS PRAGUE VIENNA ZURICH

Two Facets of Antwerp: Diamonds and Rubens



Explorer

Architectural legacy: Gabled buildings and the cathedral.

Explorer

Rubens's house is a three-story villa reached through a massive gate.

Flemish Port Has Rich Legacy From Its Golden Age in 1500s

By Craig R. Whitney
New York Times Service

ANTWERP, Belgium — During its heyday in the 16th century, Antwerp was one of the richest and largest cities in all Europe, nearly the equal of Paris or London. Its splendid fortified port assured its wealth, attracting artisans who built its magnificent Gothic cathedral and artists like Pieter Brueghel the Elder who amplified its reputation.

With two other Belgian cities — Ghent and Bruges — Antwerp dominated the intellectual, commercial and artistic life of the southern Low Countries, until the religious and political turbulence of the latter part of the century.

Antwerp held on until the middle of the 17th century, thanks in part to the genius of such gifted and farsighted citizens as Peter Paul Rubens, who designed and built an impressive mansion in the center of the city and became court painter and diplomat extraordinaire to the Spanish Habsburg regents who ruled it.

Most of the city's Calvinist Protestants, including Rubens's own father, were driven out between 1567 and a brutal siege in 1584 and 1585. (Rubens himself was born in Germany.) In 1648, with the end of the Thirty Years War, Antwerp remained Roman Catholic, and the Dutch cut off its harbor from the sea. It stayed closed, or subject to Dutch tolls, for most of the next two centuries, until it was freed again in 1863. The 20th century brought two German occupations and heavy damage to the port from bombs after the Allies retook it in 1944.

Today, Antwerp claims the second busiest harbor in Europe and the sixth busiest in the world, maintaining a lively rivalry with Rotterdam, the Dutch port only 60 miles (95 kilometers) north.

On the tourist circuit nowadays, Antwerp and Ghent are overshadowed by Amsterdam, Brussels and Bruges. Yet the legacy that Rubens, his artistic predecessors and their wealthy benefactors left behind during Antwerp's golden age makes the city worth a journey.

Diamond Capital

Antwerp grew to become a bustling commercial center of nearly half a million people and also the world capital of the diamond trade. The port, like much of the rest of northern Europe, has suffered from double-digit unemployment in recent years, which, combined with a crisis of confidence in the Belgian political system, has allowed an extreme-right nationalist party to flourish.

Despite that, Antwerp has not tried to cut itself off from the outside world. Some of the city's clothing designers, Dries Van Noten and Ann Demeulemeester among them, have worldwide reputations, and their creations can be found in the chic shopping district in the Lombardenstraat and the Schuttershofstraat, in the old city. The diamond trade continues to thrive; 70 percent of the global total of finished or nearly finished diamonds are polished or traded here. Diamond trading, which accounts for $4 billion a year and 6 percent of Belgium's total exports, takes place just outside the monumental railroad station, built in the 19th century outside the old town. Capped by a neo-Baroque dome, the station looks more like a temple than a terminal, with an adjoining glass-and-steel train-shed roof whose latticework is painted a cheerful bright red.

From the diamond district, it is a few blocks' walk through the old part of the city toward the Scheldt, and Antwerp's defining landmark, the soaring white stone lacework tower of the cathedral just off the city's main square, the Grote Markt. Light floods into this spacious edifice, built between 1352 and 1521 in late Gothic style, through enormous stone-tracery windows created to frame stained glass destroyed by iconoclasts four centuries ago, and reflects off the cathedral's whitewashed walls. The vast expanse of the seven-aisled nave, broken only by a forest of piers and pillars, is breathtaking. And inside, in the transept and the choir, hang four Rubens masterpieces.

THE painting over the main altar, an ascending swirl of red, blue and ocher, depicts the Assumption of the Virgin Mary, accompanied by an angelic host of cherubs. On either side in the transept are, to the right, "Descent From the Cross," a triptych beneath the modern choir organ case, and, in the left (north) transept, "Raising of the Cross." A fourth work by Rubens, in the second chapel behind the transept on the south side of the choir, is of the Resurrection.

In the Grote Markt, the real center of the old city, the gilded facades of the merchant houses seem authentic, but most are actually reconstructions to remain in keeping with the most important building here, the massive Renaissance-style 16th-century town hall, the Stadhuis.

The fountain in front of the town hall shows Silvius Brabo, a Roman soldier, about to throw what looks like an outsized hand off into the distance. It is, according to city legend, the hand of Druon Antigon, a cruel giant who used to control the Scheldt by exacting tolls from sailors who could pay, and cutting off the hands of those who couldn't. Brabo finally put an end to his tyranny by cutting off the giant's hand and throwing it into the river — the original legendary handwerpen ("hand throwing") that gave the city its name. Spoilsports say it was actually the name of a rock outcropping that has since disappeared, or a corruption of the Flemish words aan de werfen, for "on the wharves."

Back on Rubens's trail, I walked to the Royal Museum of Fine Arts, on the southern edge of the old city on Leopold de Waelplaats, which has the world's largest collection of his masterpieces, along with others by Jan van Eyck, the Brueghels, Roger van der Weyden and Rembrandt.

But it is also possible to develop a feel for Rubens's life and times in the villa he designed, lived and worked in, reconstructed as it used to be then, and in two other fascinating patrician homes of the period that, like Rubens's, made even visitors from Italy envious.

The Rubens home is a three-story stone and brick Renaissance villa at 9 Wapper, a paved-over canal off Antwerp's main commercial shopping street, the Meir. The villa is as admirable for the fine flower garden behind it and for the collection of antique Roman art that inspired the painter as for the 10 paintings by him on display here, including a stunningly assured self-portrait in the dining room on the ground floor. There he is — city father, court painter and diplomat — in his prime, with mustache and beard, looking out from a broad-brimmed aristocratic black hat.

Rubens is buried just north of his mansion, in the apse of the Gothic Saint Jacobskerk. But we continued a few blocks west to the Vrijdagmarkt and the fascinating 16th-century home, offices and print shop of one of Rubens's closest associates, Balthasar Moretus, a descendant of the 16th-century humanist, printer and patron of the arts Christophe Plantin. The complex, called Plantin-Moretus House, covers most of a block, with 34 rooms displaying many treasures, including Flemish wall tapestries and portraits by Rubens and others, but also priceless examples of the printer's art of 400 years ago — not only thousands of old books but original presses and type fonts, some designed by Plantin himself, and original galleys.

FORBIDDEN BOOKS The shop displays an index of books forbidden by church authorities, ironically since Plantin, who was French, had to flee to Paris in 1562 after being accused (unjustly, he claimed) of having printed some of them himself. The floors creak, and you can almost hear the clack of the presses, some of which still run off copies of Plantin's sonnet "The Joys of This World," celebrating "No debts, no love-affairs, no litigation, no relatives to share one's revenue."

In the other direction at 10 Keizerstraat, a few blocks east of the cathedral, is the home of another Rubens contemporary and friend, Nicolaas Rockox, the lord mayor of Antwerp at the time. Like Rubens's house, this one is a historically authentic reconstruction, with many masterpieces on display.

The Rockox house also has a remarkable audiovisual presentation in English, viewable on request, that puts Rubens's life into the political, religious and social context of the time and explains the many statues of the Madonna found over doorways and perched high on street corners — all part of the Counter-Reformation renaissance, encouraged by the Spanish monarchy, that remade Antwerp after the religious wars.

The Art of Power: Dresden Museums

From Old Masters to Porcelain

By Olivier Bernier

DRESDEN, Germany — Dresden in the 18th century was no ordinary German city. It was more beautiful than most, and more prosperous: the lead and silver mines nearby, together with its position as a great trading center, insured its wealth. Most important, though, was the character of its princes. Saxony — the state of which Dresden was, and is, the capital — was among the largest and most powerful in the Holy Roman Empire, and its rulers, the electors, took full advantage of that. Augustus II, the Strong, who reigned from 1694 to 1733, made the right alliances, fought at the right times in the right places and was elected King of Poland with Russian backing. His son, Augustus III, managed to retain that slippery throne; and both monarchs put on the kind of display that was meant to impress the rest of Europe.

In Augustus the Strong's case, splendor came namrally. A huge bear of a man who fought, hunted and drank and who sired dozens of illegitimate children, the elector-king also liked having the best of everything — palaces, women, clothes, jewelry and decor. So he bought paintings of extraordinary quality, hired designers of genius and took a chance that resulted in the manufacture of the very first European porcelain.

As for his capital, it was a captivating blend of new and old. The old was the Schloss, the palace in the center of town, which had been mostly rebuilt in the 16th century and had gables and sgraffito, a type of design incised into the surface showing the rulers and their army. The new was a series of elegant rococo churches and palaces, and odd-shaped squares, like the Altmark, where medieval, Renaissance and recent houses formed a harmonious ensemble — and, for strolling, the great terrace along the River Elbe.

All that, except for the terrace, was destroyed in the 1945 air raid. Then, in the late 1950s, the Zwinger was rebuilt; now the other monuments are being reconstructed from the ground up. The Schloss, for instance, of which only a few blackened walls remained, is scheduled to be completed by 2003.

Happily, the city's portable artworks were removed at the beginning of the war and stored in a variety of mines, where they were found by the Red Army. Most were taken to the Soviet Union, then returned to East Germany. Today the museums of Dresden are among the most spectacular in Europe. At the Zwinger, the pleasure palace built for Augustus II by Matthaus Daniel Poppelmann and enlarged in the 19th century by Gottfried Semper, there are three dazzling museums: the Armory, the Porcelain Collection and, the largest of the three, the Gemaeldegalerie.

An Eye for Painting

Both elector-kings had an eye for painting and were willing to pay top price for a masterpiece; the results are astounding. In the ground floor galleries of the Gemaeldegalerie are views of Dresden and the Saxon castle of Pirna by Bernardo Bellotto, Canaletto's nephew. Bellotto at his best transforms landscape and buildings into a magic scene, bathed in golden, unchanging light. His paintings are also invaluable documents that describe the charms of 18th-century Dresden.

Upstairs, in the first gallery, there are still more Bellottos. Rococo carriages roll past the Frauenkirche, ladies in hoop skirts stroll through city squares, and on the other wall of that gallery Augustus the Strong, painted by Silvestre, looks properly dashing on a prancing horse.

All this is both informative and pleasing; but then come the great names. There are, for instance, the many paintings by Rubens: everything from a huge, spectacular Neptune, full of rearing horses, voluptuous nymphs and billowing fabric, to a superb St. Jerome represented as the very image of aging vigor. Just across the gallery is Van Dyck's treatment of the same subject, in which the saint has been transformed into an enfeebled, suffering but elegant old man — a perfect summary of the difference between the master and his student.

Another Rubens, a wonderfully sexy Bathsheba, is everything we might expect; more surprising is a small, admirable night scene in which an old woman holds a charcoal brazier; its brilliant light is reflected on her red, shining face, while below, a child blows on the burning coals.

In the next gallery Rembrandt's small portrait of the young Saskia, her bodice slipping off her shoulder, a plume jauntily set in her hat, is pitiless in its observation of the sitter's vanity. A "Banquet of Samson," organized around a triumphant, bejeweled Delilah, with Samson himself turning to tell his story, is about contrasting strength and weakness. Nearby, one of Rembrandt's great self-portraits, all in red and gold, shows him at the apex of his success: big black velvet hat with white feathers, sword, a glass of wine — while on his knee, his wife, in elegant white and gray with jewels, turns around as if to invite us into the picture.

AMONG the museum's many other masterpieces are a jewel-like Van Eyck, the Giorgione "Venus," the first great reclining nude of the Renaissance; Raphael's late, already Mannerist "Sistine Madonna"; one of Durer's greatest portraits; and an abundance of French painting, from Poussin and Lorrain to Watteau.

Leaving the Gemaeldegalerie, visitors can cross the arched passageway to the Armory, a large ground-floor space, brightly lighted by windows and organized around a series of full-size suits of armor down the center.

Here a very different sort of splendor is on offer. Even when armor stopped being an effective defense, it went on being worn on special occasions — and no one understood ceremonial grandeur better than the electors of Saxony. And so the chased, nielloed armors made in the 16th and 17th centuries. Some have scenes from antiquity across the breastplate, others gilt medallions with mythological subjects surrounded by twining leafy stems. One golden helmet has an entire battle in relief occupying every inch of its surface.

The Porcelain Collection nearby is installed in one of the 18th-century pavilions of the Zwinger. It could not be a more appropriate: In 1707 the very first European porcelain was made in Dresden for Augustus the Strong by Johann Friedrich Bottger, an alchemist who failed to turn lead into gold but managed to transmute clay into a variety of desirable objects. Three years later a factory was set up in nearby Meissen, and the best of its production forms part of the Zwinger's collection.

Most dazzling is the famous swan service in which that most graceful of birds is everywhere.

Olivier Bernier, who lectures on art and architecture at the Metropolitan Museum of Art, wrote this for The New York Times.

Discovering the Basque Heritage in Bilbao

By Christopher Clarey
New York Times Service

BILBAO, Spain — For as long as large-scale tourism has existed, visitors to the Spanish Basque country searching for a city to explore have ignored Bilbao and headed for San Sebastian. There is an excellent reason for this. San Sebastian, with its striking ocean views, is a postcard. Bilbao, with its grimy apartment blocks, warehouses and disquietingly dark river full of floating objects, is not.

But with the Industrial Age losing steam and the computer age gathering speed, Bilbao is spiffing up its waterfront, trying to shift to a service economy and, at no small cost, rolling the cultural dice. One result of that gamble is on view on the banks of the Nervion.

The $100 million Guggenheim Museum Bilbao, designed by the architect Frank Gehry, opens to the public on Oct. 19, and it already has opened plenty of mouths and minds. With its shimmering, titanium-plated forms jutting in unexpected directions, it looks capable of rapid movement, and in this digital era of industrial light and magic, you almost would not be surprised to see it raise its iconoclastic wings.

Coming Events

A series of free, small-scale musical and cultural events are planned outside the Guggenheim, which is at 2 Avenida Abandoibarra, from Oct. 3 until the opening. On Oct. 11, there will be processions in Bilbao's old quarter in honor of the Virgin of Begona, the city's most important icon, housed in the hilltop Basilica of Begona. The basilica is worth a climb not only to see the icon but also for the view. It is open 9 to 11 A.M. and 6 to 8 P.M. weekdays and 10 A.M to 1 P.M. and 6 to 8 P.M. weekends.

On Sept. 24, 25 and 26 at 8 P.M., the Madrid Regional Ballet is to perform in one of Bilbao's few public buildings of great note, the Arriaga Theater, just over the Puente del Arenal in the old city. The interior of the 19th-century Arriaga was based on the Paris Opera. For tickets, about $7 to $35, call 416-3333.

Mozart's "Don Giovanni," with a cast that includes Ferruccio Furlanetto, will be performed in the Teatro Coliseo Albia on Oct. 11, 14 and 17. Domenico Cimarosa's "Matrimonio Secreto" is scheduled for on Nov. 7, 10 and 12. Tickets: $11 to $72. The theater is at 13 Alameda Urquijo; 415-3954.

For those who prefer to applaud outdoors, the local soccer team Athletic Bilbao plays its home games at San Mames Stadium on Sundays. An emblem of Basque identity, Athletic has long been one of the best teams in Spain. Tickets: $27.50 to $41.50 from 424-0877.

Bilbao, with its Dickensian waterfront, is clearly a fine place for the new Guggenheim. Gehry's bold and singular creation announces its presence in surprising places. One is the Gran Via de Don Diego Lopez de Haro, the city's main commercial thoroughfare, where if you peer down Calle de Iparraguirre, you see the looming silver mass of the museum framed by the narrow confines of a rather conventional city block.

Bilbao has two other museums of note. Museo de Bellas Artes, four blocks from the Guggenheim at the Plaza del Museo, has a reasonably good collection of Spanish, Dutch and Flemish paintings, a few fine polychrome Gothic wood sculptures and a floor of interesting 19th- and 20th-century Basque paintings. Admission is about $4.85, $2.45 for students and seniors, under 12 free. Open 10 A.M to 1:30 P.M. and 4 to 7:30 P.M. Tuesday to Saturday, and 10 A.M. to 2 P.M. Sunday; 439-6060.

THE BASQUE HERITAGE Basque accomplishments are also on display at the Basque Archaeological, Ethnographic and Historical Museum, in a former convent at 4 Calle la Cruz. The collection, everything from whaling artifacts to furniture to the massive stone blocks Basque athletes lift for sport, is edifying. And the clover-covered courtyard, which has a massive pre-Christian-era stone sculpture, "The Mikeldi," for a centerpiece feels like the sort of place druids might vacation. Free admission 10:30 A.M. to 1:30 P.M. and 4 to 7 P.M. Tuesday to Saturday, and 10:30 A.M. to 1:30 P.M. Sunday; 415-5423.

The Basque museum lies in the old city (*casco viejo*), about a 10-minute walk along the river from the Guggenheim. Much of the old section is pedestrian-only, a relief in a city where drivers seem to be revolting against central authority. The Arriaga theater is a good starting point and can be toured free in the morning by special arrangement by calling 416-3333. But tours are only in Spanish and Basque.

The market of La Ribera is one of the largest indoor markets in Europe (8 A.M. to 2 P.M., Monday to Thursday, 8 A.M. to 2 P.M. and 4:30 to 7:30 P.M. Friday, and 8 A.M. to 2:30 P.M. Saturday). The ground floor is home to a daily carnival disguised as a fish market. The variety of seafood is dizzying, from cod and hake to octopus and the goose barnacle.

For those with transportation and the yen for a day trip, the Basque coast between the summer resort of Bakio and the fishing village of Lekeitio is an excellent choice. This gorgeous stretch of coastline incorporates the Urdaibai nature preserve, which has fine bird watching. Guernica, site of the brutal Civil War bombing that inspired Picasso's painting, lies a short drive inland from the surfing center of Mundaca.

Just east of Bakio is the small, picturesque island of Gaztelugatxe. You can admire it from the road or drive down to the water, cross over on foot and climb the 231 steps to its stark stone chapel. Either way, you won't forget the views.

MOVIE GUIDE

Chris Tucker stars as the con artist Franklin Hatchett in "Money Talks."

MONEY TALKS

Directed by Brett Ratner. U.S.

In the 1995 movie "Friday," motormouthed comic Chris Tucker's manic performance as a hopelessly pot-addled wastrel stole the show from the star, rapper Ice-T. In "Money Talks," Tucker performs a similar feat, but this time he's the star and the executive producer. When we first meet Tucker as small-time ticket scalper and hustler Franklin Hatchett, he's cruising down the highway singing an exuberant — and hilarious — accompaniment to Barry White's "You're the First, the Last, My Everything" on the car radio. From the self-indulgent opening sequence, it is clear that this latest film vehicle was custom-built for Tucker, whose rubber-faced mugging and genial screen presence more than carry the somewhat formulaic action-comedy. But what's not to like about a movie that has $15 million in stolen diamonds, bloodthirsty French villains and a car chase in a vintage Jaguar (not to mention an appearance by Heather Locklear)? Well, Charlie Sheen, for one thing. But not even the dead weight of the puffy, wooden Sheen as a has-been TV reporter can derail Tucker and his comedy juggernaut. It's stupid, guilt-free fun. *(Michael O'Sullivan, WP)*

SHE'S SO LOVELY

Directed by Nick Cassavetes. U.S.

Blasting out of the past with a rush of crazy exhilaration, "She's So Lovely" is a go-for-broke tribute to John Cassavetes' free spirit. In a film made by Nick Cassavetes from a love-struck, stubbornly incorrect screenplay that his father wrote but did not live to direct, there is barely a thought that could survive a present-day opinion poll. That makes the defiance of this boozy romance all the more brazen and rare. Big, headstrong performances from Sean Penn, Robin Wright Penn and John Travolta transport the film's carousing excesses to the realm of the huge-hearted emotional fairy tale, the world that the senior Cassavetes' films struggled to explore. The characters they play don't mean to be real; what they want is to be true. And Nick Cassavetes emphasizes that heightened passion even as he gives the family formula something it often famously lacked: economy. Poised on a knife edge between homage and loving takeoff, fired by the sheer boisterous energy of its stars, "She's So Lovely" stakes its claim to willful outrageousness at the very start. Into the film staggers drunken Maureen (Robin Wright Penn), dimly looking for her husband Eddie (Sean Penn), who has been gone for three days. Maureen is a model of drinking, smoking debauchery even though she's pregnant, which should be enough to sink the film for anyone who takes it literally. But Maureen is also as desperately in love with this guy as she is trapped by the standard Cassavetes frailties. As the film makes clear when it finally locates Eddie partying in a tavern, Eddie is not your ordinary guy. As played by Penn with a strong echo of the elder Cassavetes' wounded, boyish, teasingly seductive presence (in a performance that won the best actor award at this year's Cannes film festival), Eddie means to be good to Maureen. It's just not easy under the circumstances. In a romantic parable that becomes markedly better as it goes along, moving toward an ending that makes the whole journey unexpectedly stirring, Eddie is pushed to his breaking point by Maureen's transgression and by who knows what else. He collapses, spouting the most overblown of the film's dialogue, which is otherwise slyly delectable. Then he is sent to a mental hospital. "She's So Lovely" enters the twilight zone with the news that 10 years have passed and Maureen is apparently a different person. No longer a raccoon-eyed mess, she looks clean-scrubbed and lives in the suburbs with three children and Joey, played by Travolta as exactly the voice of reason this movie needs. Travolta turns in yet another show-stopping performance, this time because Joey doesn't tolerate baloney and isn't in the mood for self-sacrifice. But he knows Maureen, he knows the past and he knows the score. The beat-up poetry, soused look and bad habits of "She's So Lovely" are often dated. The showy bravado is not. *(Janet Maslin, NYT)*

HANA-BI

Directed by Takeshi Kitano. Japan.

Comparisons with Quentin Tarantino are instructive: Both directors are from the entertainment industry (Takeshi Kitano is Japan's top TV talent), both use violence as a vehicle, and both are concerned with the tragi-comedy of the modern macho male. Also both know how to win top festival awards: "Pulp Fiction" won at Cannes in 1994; "Hana-bi" won at the Venice festival this year. In his latest film Kitano has his ex-cop (played by Kitano) busting a bank in order to take care of a mentally challenged wife and a crippled buddy. The violence is against those who deserve it (the *yakuza*) and this macho male is an inarticulate good guy who does bad things for the best reasons. Not much comedy this time but lots of tragedy. As for the peculiarly hyphened title, the director has explained that *hanabi* means "fireworks," (literally, "flowers of fire") but that he has divided the word so that the *hana* (flowers) becomes symbolic of life and *bi* (*hi*) (fire) represents gunfire and becomes symbolic of death. It is that kind of film. *(Donald Richie, IHT)*

THE FULL MONTY

Directed by Peter Cattaneo. U.K.

Stripped of their jobs, wives and in some cases, sexual potency, a sextet of British steelworkers turn their other cheeks in "The Full Monty," a wise and rousing crowd-pleaser about the resilience of the British working class. This warm, ribaldly funny, stubbornly upbeat story is very much in the vein of "Brassed Off," only these blokes don't form a band, they put on a burlesque show. Though set in Sheffield in the late '80s, the film opens with footage from a 25-year-old promotional film celebrating the booming steel town's many wonders and future promise. Director Peter Cattaneo immediately cuts to the interior of an abandoned steelworks, empty except for rusting girders and Gaz and Dave — two former employees who've come to steal scrap metal in hopes of making a bit of cash. Boyish Gaz (Robert Carlyle), behind on his child support, and his panda-bellied buddy, Dave (Mark Addy), are human casualties of the technology that brought not only the plant closures, but the loss of jobs traditionally held by men. Gaz is a happy-go-lucky idler, but Dave, whose wife is now the family breadwinner, struggles in vain to survive this blow to his manhood. Gaz and Dave find further untoward changes in traditional gender roles when they discover most of Sheffield's females lined up to see the Chippendale dancers. Although the performance is "for women only," they slip inside and suddenly, Gaz has a brainstorm: We, too, can bump and grind our way to happiness. To that end, the pair place Gerald (Tom Wilkinson), their former foreman and a ballroom dancer, in charge of the choreography. Then, with the well-endowed Guy (Hugo Speer), the balding Horse (Paul Barber) and the flat-chested Lomper (Steve Huison), they prepare to shake their inhibitions and rattle their jewels. As their debut draws nigh, they realize that for the first time in their lives they are going to be judged as they have so often judged women, solely by their appearances. "Who wants to see this dance?" moans the paunchy Dave. Inevitably, the Sheffield six begin to suffer personal crises or just plan chicken out on their promise to take it all off, to do the full monty. Along with witty, appropriately rough-hewn repartee and genuine poignancy, writer Simon Beaufoy manages to sustain suspense to the last gyration. *(Rita Kempley, WP)*

ARTS GUIDE

Barbican Art Gallery.

Don McCullin photographs of a U.S. Marine in Vietnam and elephants in India can be seen in London.

AUSTRIA

VIENNA

Austrian Museum of Applied Arts (MAK), tel: 711-36-233, closed Mondays. To Jan. 5: "Lucie Rie: Fired Clay." The ceramic works of Rie (1902-1995) have consistently united opposites: hardness and fragility, economy and luxury, light and dark tones, simple shapes and sophisticated surface appearance.

BELGIUM

BRUGES

Stedelijk Museum Arentshuis, tel: (50) 44-87-11, open daily. Sept. 20 To Nov. 23: "Lace in Europe." With a representative range of lace masterpieces, the museum reveals a surprising unity of style in the different regions of Europe. The sartorial function is illustrated by 17th-, 18th- and 19th-century portraits.

BRUSSELS

Palais des Beaux-Arts, tel: (2) 507-8466, closed Mondays. To Oct. 5: "Jeune Peinture Belge 1997." Prize-winning works by contemporary Belgian artists.

GHENT

Musee des Beaux-Arts, tel: (9) 222-1703, closed Mondays. To Dec. 14: "Paris-Bruxelles/Bruxelles-Paris." A confrontation of French and Belgian art in the second half of the 19th century. The exhibition includes painting and sculpture, graphic art, literature, theater and music, photography, architecture and urban design, and decorative arts. Among the artists who played a leading part are Victor Hugo, Baudelaire, Courbet, Zola, Manet, Ensor, Seurat, Van Rysselberghe, Khnopff, Redon, Gauguin, Rodin, Horta, Van de Velde, Lalique and many others.

BRITAIN

EDINBURGH

Scottish National Portrait Gallery, (31) 332-2266, open daily. To Nov. 16: "Women in White: Photographs by Lady Hawarden." Works by one of the few woman photographers of the Victorian era. On show are photographs of her daughters that offer an insight into the private protected world of Victorian women.

LONDON

Barbican Art Gallery, tel: (171) 638-8891, open daily. To Dec. 14: "Don McCullin: Sleeping with Ghosts." More than 200 prints covering the British photographer's war, social documentary and landscape photography. Also included is a selection of photographs of Indian religious festivals, visited by the artist over the past 10 years.

The National Gallery, tel: (171) 747-2885, open daily. To Nov. 16: "Rembrandt: The Blinding of Samson." This dramatic painting was created by Rembrandt in Amsterdam in 1636, probably to thank the Prince of Orange's artistic adviser for commissioned paintings of the Passion of Christ. It is shown here with other Rembrandt's paintings from the museum's collection.

National Portrait Gallery, tel: (171) 306-0055, open daily. To Sept. 28: "Clifford Coffin: The Varnished Truth — Photographs from Vogue, 1945-1955." For over a decade, in London, Paris and New York, Clifford Coffin (1913-1972) produced some of Vogue's elegant fashion pictures. His portraits, also for Vogue, were an observation of worldwide art and society in the early postwar years and include his celebrated 1949 study of Gore Vidal.

Royal Academy of Arts, tel: (171) 439-7438, open daily. To Dec. 28: "Sensation: Young British Artists from the Saatchi Collection." Paintings, sculptures, videos, photographs and ready-made objects by 40 young British artists that highlight the vitality of British art. Among the artists in the show, are Jake and Dinos Chapman, Mona Hatoum, Damien Hirst, Gary Hume and Fiona Rae.

FRANCE

Les Journees du Patrimoine, tel: 01-44-61-21-50. Sept. 20 and 21. Throughout France, public and private buildings, including the Elysee Palace, the residence of the president, headquarters of ministries and many villas are open to the public.

PARIS

Musee du Louvre, tel: 01-40-20-51-51, closed Tuesdays. To Oct. 13: "Kudara Kannon: Une Sculpture du Japon Ancien." The personification of infinite compassion, the Boddisattva Kannon, meaning "the one who hears their cries," is a National Treasure and usually kept in a Nara temple. The statue is 2 meters high, and made from a single block of camphor wood.

Fondation Cartier pour l'Art Contemporain, tel: 01-44-78-12-33, closed Mondays. To Nov. 2: "Amours." The expression of love in many forms of art.

GERMANY

FRANKFURT

Schirn Kunsthalle Frankfurt, tel: (69) 29-98-82-11, closed Mondays. To Nov. 2: "Hans Hofmann: Wonders of Rhythm and Beauty of Space." An extensive selection of the late works of the German artist (1880-1966). Hofmann found his personal style during the 1950s in a combination of swirls of color to which colored squares and rectangles were later added.

GREECE

THESSALONIKI

The Museum of Byzantine Culture, tel: (31)

© Vogue. The Condé Nast Publications Ltd.

1949 Coffin study of Vidal, London.

88-65-70, open daily. To Dec. 31: "Treasures of Mount Athos." Paintings, icons, manuscripts and consecrated vessels from the monasteries.

ISRAEL

JERUSALEM

Israel Museum, tel: (2) 6708-811, open daily. "A Day at Qumran: The Dead Sea Sect and its Scrolls." To commemorate the 50th anniversary of the discovery of the scrolls, an exhibition documenting a day in the life of the Qumran sect. Features a sundial, agricultural tools and phylacteries, as well as newly exhibited fragments of scrolls.

ITALY

VENICE

Correr Museum and Doges' Palace, tel: . To Dec. 31: "From the Doges to the Emperors." Documents how Venice lived the last days of the Republic until its fall in 1797, and how the city changed under French and Austrian occupation, during the 19th century. Another show revolves around the 200th anniversary of the fall of the Venetian Republic: The Cini Foundation show (to Nov. 30) looks at the interpretation of the "Myth of Venice" by Carpaccio, Veronese and Canaletto to Ruskin, Turner and Monet.

JAPAN

GIFU

Museum of Fine Arts, tel: (58) 271-1313, closed Sept. 22, 24 and 29. To Oct. 5: "The Barbizon School." Documents the work of the group of mid-19th century artists who created intimate landscapes. Millet, Daubigny and Corot were forerunners of the Impressionist movement in the late 19th century.

NETHERLANDS

GRONINGEN

Groninger Museum, tel: (050) -366-6555, closed Mondays. To Nov. 30: "Mutant Materials in Contemporary Design." Documents how new materials as well as renewed usage of traditional materials can result in a new class of well-designed objects. The exhibition consists of 200 products and prototypes which have been designed in the last 12 years by Ron Arad, Philippe Starck, Frank O. Geh ry and Achille Castiglioni, among others.

SPAIN

BARCELONA

Fundacio Joan Miro, tel: (93) 412-4016, closed Mondays. To Nov. 2: "Joan Miro: Harmony in the Space." Miro visited Japan for the first time in 1966, and was strongly influenced by Zen paintings, calligraphy and poetry. The exhibition highlights the affinity between Miro and Oriental art.

VALENCIA

IVAM Centre Julio Gonzalez, tel: (6) 388-3000, closed Mondays. To Nov. 30: "Jacques Lipchitz." More than 80 sculptures by the Lithuanian-born artist (1891-1973), ranging from his early Cubist to his late baroque works.

UNITED STATES

ATLANTA

High Museum of Art, tel: (404) 892-4444, closed Mondays. To Nov. 29: "A. G. Rizzoli: Architect of Magnificent Visions." Rizzoli (1896-1981) was an architectural draftsman engaged in a secret effort to record the recurring visions and hallucinations that he claimed to experience. This alternative world, rendered in beaux-arts style, features Gothic cathedrals, skyscrapers and intricate architectural details.

HOUSTON

The Menil Collection, tel: (713) 525-9400, closed Mondays and Tuesdays. To Jan. 4: "Joseph Cornell." The Menil Collection houses one of the largest collections of Surrealist art in the world. It includes more than 20 works by the American artist Joseph Cornell (1903-1972) who assembled boxes containing small toys, mementoes, and unusual objects that preserved his personal reflections. The exhibition features approximately 50 boxes and collages.

NEW YORK

Frick Collection, tel: (212) 628-4417, closed Mondays. To Nov. 30: "The Spirit of the Place." A small selection of 16 paintings and four sculptures from the Madrid collection of Baroness Carmen Thyssen-Bornemisza. The works range from Venitian vedutas to Impressionist paintings.

Guggenheim Museum SoHo, tel: (212) 423-3840, closed Thursdays. To Jan. 4: "Robert Rauschenberg: A Retrospective." This exhibition complements the one held at the Fifth Avenue museum with Rauschenberg's experiments in art and technology. It also features his work of the last decade, including selections from his series of paintings on metal, as well as paintings and sculptures that are often described as his visual autobiography.

SAN FRANCISCO

M.H. de Young Memorial Museum, tel: (415) 863-3330, closed Mondays and Tuesdays. To Nov. 30: "Masters of Light: Dutch Painters in Utrecht During the Golden Age." Utracht painting in the 17th century combines Italian theatricality and innovative lighting effects with Dutch sensitivity to nature. The exhibition features 80 paintings by 20 artists such as Abraham Bloemaert, Dirck van Baburen and Gerard van Honthorst. The exhibition will travel to Baltimore and London.

CLOSING SOON

Sept. 21: "Das Capriccio als Kunstprinzip," **Palais Harrach, Vienna.**

Sept. 21: "Sir Denis Mahon Collection." **National Gallery of Scotland.**

EUROPE-YOUR PERSONAL TRAVEL GUIDE
A Swedish Count will accompany you on your exclusive trip through Europe. You would like a personal invitation to the Viennese Opera Ball, the Red Cross Ball in Monte Carlo or the Film Ball in Munich?
You will take part in the most illustrious social events of old Europe
You will visit legendary spots and dine in the most distinguished restaurants at the best tables.
You will stay at the finest hotels around the globe, in a castle or on a private island.
You would like invitations to vernissages, balls, galas etc? You wish to visit operas and festival performances? Watch horse races and polo matches? Ascot, Baden-Baden, Paris, Florence, Munich, Monte Carlo, Salzburg, Vienna, Verona etc.
You will not be just another tourist in a group tour
I will escort you and attend to your needs personally.
Please call Count of Lehner and inform us of your individual wishes
Phone Germany: +49-711-883857
+49-7032-236912
Fax Germany: +49-711-883857
Mobile Phone: 0172 7117418

BOOKS

THE ROYALS

By Kitty Kelley. 547 pages. $27.
Warner Books.

Reviewed by Michiko Kakutani

QUEEN ELIZABETH called 1992 an "annus horribilis" — a horrible year that witnessed a fire at Windsor Castle, a furor over her exemption from the tax code, the separation of Prince Andrew and the former Sarah Ferguson, the divorce of Princess Anne and Captain Mark Phillips, and the accelerating marital difficulties of Charles and Diana.

This summer might well be called an "aestas horribilis." After the awful accident in Paris that took the life of Diana, Princess of Wales, and left her two young sons without a mother, there has been a public outcry in Britain against the royal family — not only for a perceived reluctance to accord Diana sufficient respect but also for being an outdated, outmoded dinosaur out of touch with its people.

Matters will not be helped by Kitty Kelley's salacious and gossipy new book, "The Royals." The book, which apparently went to press before Diana's death, contains little verifiable information that's really new. At the same time, its sheer accumulation of catty anecdotes creates an ugly portrait of the House of Windsor as a dysfunctional family worthy of weeks of Oprah shows: at once cheap and self-indulgent, hypocritical, image-obsessed, emotionally crippled and cut off from the real world — "not evil, just venal," in Kelley's words, "hapless and unheroic."

Kelley likes to pose as an investigative journalist — she claims this book was based on 800 interviews — but her formidable energies have been expended on uncovering (or purporting to uncover) the sorts of secrets only supermarket tabloids covet. In fact, the experience of reading "The Royals" is like sitting down with a heap of trashy tabloids and a pile of tell-all memoirs by disgruntled servants and turncoat friends: yards and yards of rumors and insinuations, and lots of unattributed quotations that the author does little to independently verify.

The book suggests that Prince Philip was a womanizer, that Princess Margaret was a bigot and that the newly married Princess Elizabeth was a sex fiend. Kelley also contends that the sickly King George VI and his wife (now the Queen Mum) conceived both princesses through artificial insemination.

As for Kelley's prose, it would make a romance novelist shudder: "Fergie with no title was like Saudi Arabia with no oil," she writes in one chapter. And in another: There was "almost as much tension between Charles and Diana as between North and South Korea."

If "The Royals" is less startling than Kelley's notorious 1991 working over of Nancy Reagan, it's largely because recent members of the royal family — with a little extra help from the tabloid press — have already done such an expert job of exposing their own problems and foibles. It's hard to turn something that's already a long-running soap opera into something more melodramatic or lurid.

Prince Charles admitted on television in 1994 that he had committed adultery, and he cooperated with a biographer who depicted him as a victim of cold, domineering parents who bullied him into a loveless marriage. A year later, Diana told television audiences about her bouts with bulimia and self-mutilation, and her affair with a former army officer. As a result of such revelations, Kelley's observations tend to feel like embroidery work: just more seamy and painful details that may or may not be true.

Although Kelley has gone on television in the past few days to suggest that "The Royals" provides a sympathetic portrait of Diana, her book actually depicts the princess as a high-strung clotheshorse, reeling from the stress of a bad marriage but also obsessed with her own image. We're told that Diana spent $4,300 a year on "colonic irrigation" and $65,000 a year on "astrologers, psychics, and holistic counselors."

Some of the details in this volume feel eerie, in light of recent developments. Kelley writes that Diana "saw herself as Mother Teresa in a crown" and that her polo-playing husband "saw himself as a man of the people." She asserts that Diana believed that she and Princess Grace of Monaco "were born under the same star and shared mystical characteristics."

Kelley's portrait of Prince Charles is a familiar one: a timid, self-conscious boy who became an emotionally immature and indecisive adult. He talks to plants and dabbles in the paranormal.

Queen Elizabeth emerges as a chilly, distant mother, too busy "queening" to pay attention to her children. Kelley credits her with being a hard-working "dutiful monarch," but adds that "horses were what she knew best."

Her husband, Prince Philip, is portrayed as a tasteless bounder with a penchant for actresses and bathroom humor.

THEIR second son, Prince Andrew, is one of the few characters in this book to win Kelley's admiration: "Through his failed marriage Andrew had learned to behave with dignity in the face of disgrace," she writes. "No matter what his former wife did to humiliate him and provoke criticism, he remained blessedly silent, discreet, and steadfast."

Such remarks (like Kelley's wistful observation that the royal family's "magic has been harshly exposed" in recent years) seem hypocritical in the extreme, given her own gloveless hand in exploding its dignity and dragging its members through the mud.

New York Times Service

BRIDGE

Alan Truscott

ALL bridge players must from time to time explain to their partners the rationale for an action that turned out disastrously. One of the most difficult, requiring a maximum level of groveling, concerns the penalty double of a contract that was due to fail but causes an opponent to retreat to a contract that succeeds. It is even worse when information given away by the double was crucial.

East had to grovel after the diagramed deal, shown at right, but he was unlucky. The declarer had to play superbly to survive.

North-South had eight-card fits in both major suits. When they landed in four hearts, East doubled, relying on the defense promised by his partner's bidding. Four hearts would have failed, but South retreated to four spades and East doubled with diminished confidence.

The lead of the diamond king was allowed to win, and West shifted to his trump in the hope of cutting down ruffs. Dummy's ten won the trick and the club queen was led. West took the ace and led the diamond queen, won by dummy's ace.

West's bidding marked him with the heart ace, and East's double of four hearts marked him with four cards in the suit. So South made the remarkable play of leading a low heart from the dummy and playing low from his hand. As he hoped, the ace appeared, and the diamond ten was returned. East discarded a club, and South ruffed and cashed the spade ace. He then cashed club and heart kings resulting in the ending shown below.

A club was ruffed and the heart queen cashed. East's spade jack was trapped at the finish in a coup.

NORTH
♠ Q 10 5
♡ Q 9 7 5 4 2
◇ A 7 2
♣ Q

WEST (D)
♠ 6
♡ A
◇ K Q 10 8 6 5
♣ A 9 8 6 3

EAST
♠ J 5 4 2
♡ J 10 8 3
◇ 4 3
♣ J 10 4

SOUTH
♠ A K 9 7 3
♡ K 6
◇ J 9
♣ K 7 5 2

Both sides were vulnerable. The bidding:

West	North	East	South
1 ◇	1 ♡	Pass	1 ♠
2 ♣	2 ♡	Pass	3 ♣
Pass	3 ♠	Pass	4 ♡
Pass	Pass	Dbl.	4 ♠
Pass	Pass	Dbl.	Pass
Pass	Pass		

West led the diamond king.

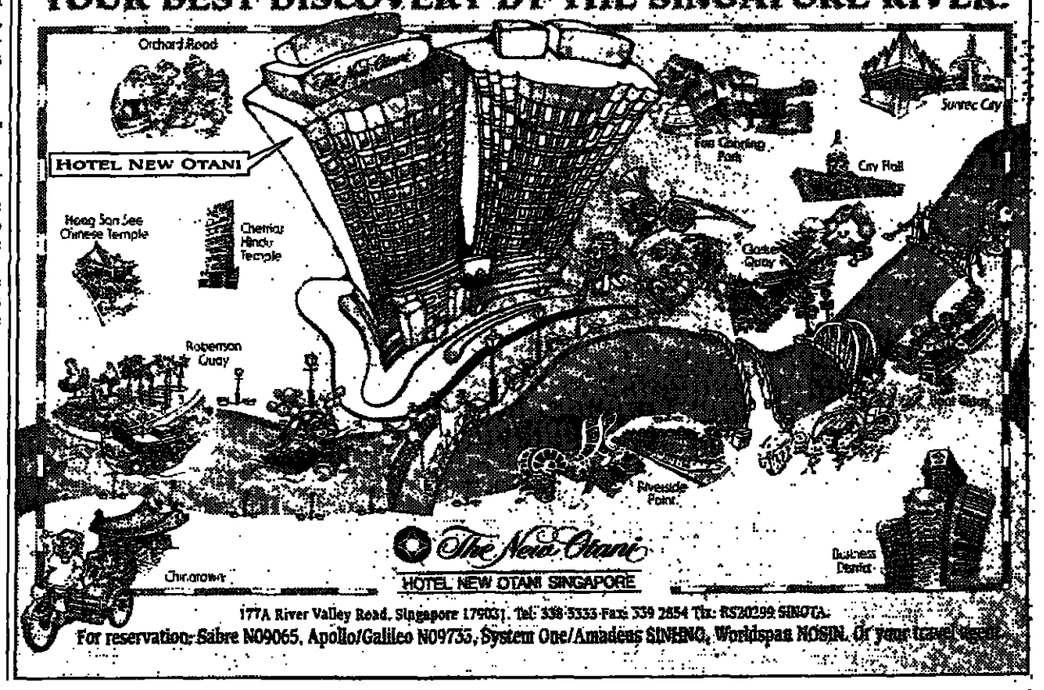
NORTH
♠ Q
♡ Q 9 7
◇ —
♣ —

WEST
♠ —
♡ —
◇ 8 6
♣ 9 8

EAST
♠ J 5
♡ J 10
◇ —
♣ —

SOUTH
♠ K 9
♡ —
◇ —
♣ 7 5

HOTEL NEW OTANI.
YOUR BEST DISCOVERY BY THE SINGAPORE RIVER.



177A River Valley Road, Singapore 179031. Tel: 338 3333 Fax: 339 2854 Tlx: RS20299 SINOTA.
For reservation: Sabre N09065, Apollo/Galileo N09735, System One/Amadeus SINHNO, Worldspan NOSIN. Or your travel agent.

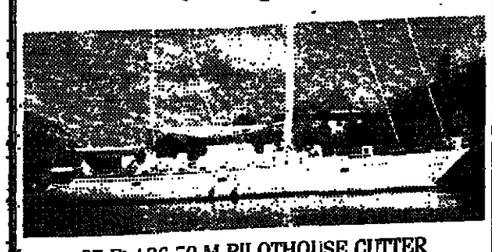
THE INTERMARKET

☎ +44 171 420 0348

RESIDENTIAL REAL ESTATE

YACHTS

" SY Aspasia "



87 Ft / 26.50 M PILOTHOUSE CUTTER
Designed by Ron Holland & built of Aluminium, registered in 1986.
Twin Detroit 119 Hp Diesels with hunderstad variable pitch propellers
Two Northern Lights Generators
Accom - 9 in three cabins plus 3 crew, in two cabins
A very well-equipped ocean cruising yacht, lying for sale in Mallorca, Spain
For more information please contact:
The Network Group
Tel: (34 71) 403903 - Fax: (34 71) 400216
E-Mail: network@atlas-lap.es

GREAT BRITAIN

Collingham Serviced Apartments

are situated in a quiet Residential street in South Kensington.
We offer 24 apartments ranging from 1-3 bedrooms.
Each apartment has a fully equipped kitchen reception Maid service/satellite TV.
24 hour reception with fax and laundry service.
The perfect alternative to Hotel accommodation for the visiting family or business person.
Comparative rates-privacy and ideal location. Knightsbridge, Museums, and the Exhibition Halls at Earls court-Olympia make Collingham Gardens the ideal home from home.
For rates and brochure please contact:
36-27 Collingham Gardens-London SW5 0HN
Tel: 0171-244-8677 - Fax: 0171-244-7331

Real Estate Services

P.C.M.G

YOU OWN A PROPERTY IN FRANCE!
Our services cover in your absence:
- Maintenance, cleaning, gardening, repairs follow-up of bills, government taxes...etc

PLEASE DO NOT HESITATE TO CONTACT US FOR MORE DETAILS
FAX +33 (0)4 50 95 94 34
Tel: +33 (0)4 50 95 35 35
7 Domaine de Crevin F-74160 Bossey

SWITZERLAND

GRYON/SWITZERLAND
FOR RENT,
big and friendly
CHALET,
24 beds.
Tel. +4121-616 73 77

Real Estate for Sale

Caribbean

MAYA MAGIC: Tis said that the Telluric Currents of Quintana Roo will cure any ill, physical or mental. Magic 43 sq.m. studio, with terrace, fully equipped, for sale. 50m from a pure, white sandy beach on the Mexican Caribbean. US$59,000. NYC Tel: 1-212-439-0194 NYC Fax: 1-212-249-9501

Belgium

20 MIN FROM BRUSSELS, opposite Golf of Waterloo. Splendid villa, built on 7000 sq.m., 5 bedrooms, 4 bathrooms, 2 fireplaces, fully equipped kitchen, wine cellar. Additional living quarters above 2-car garage. Full south terrace, large pool with mosaics. For appointments and visits call: +32.75.555.736, +32.2.354.22.52 or evenings +32.2.673.95.54. Price 36,000,000 BEF. Sale by owner, no agency

FRANCE

61 ALLOCATION TO THE HIGHEST BIDDER organized by Maîtres J.F. JOUVION, J. DUPONT-CARIOT and B. DEPAQUIT, associate notaries at the "Chambre Interdépartementale des Notaires de Paris", 12 avenue Victoria, 75001 PARIS

ENTIRE ESTATE at MARDILLY (Orne) so-called "HARAS DE MARDILLY"

on TUESDAY October 7th at 5:00 pm

Comprising:
1st lot) **PROPERTY** located at "Val Harangt" - total content 14 ha 29 a 23 ca
2nd) **SEVERAL RURAL BUILDINGS** - total content 38 ha 79 a 36 ca
3rd) **SEVERAL RURAL BUILDINGS** - total content 16 ha 45 a 1 ca
4th, 5th & 6th **MEADOWS and PASTURES** - total content 11 ha 91 a 14 ca

The entire estate presently including: office building with reception bar and WC. 4-room manager's house. Horse trainer house including: 5 rooms & 2 independant attached studios. Building for brood mares, harnessing building, 16 boxes, individual paddock, agricultural shelter. Technical buildings. The stud farm is equipped with 1,000 m long x 12 m wide track.-

STARTING PRICE: FF 1,727,000
DEPOSIT: FF 431,750

Information: Me JOUVION, DUPONT-CARIOT and DEPAQUIT, associate notaries in Paris (6th) 65, rue d'Anjou - Tel. +33 (0) 1 43 87 59 59 - SCP BROUARD-DAUDE, authorized agent, 34 rue Sainte-Anne, 75001 Paris.
VISITS ON SITE: Wednesday, September 24th and October 1st, 1997, 10 a.m. till 12 a.m.

EXCEPTIONAL
PARTIAL OWNERSHIP in HOLIDAY RESIDENCE
— AUCTION SALE —
on September 22nd, at 9:30 a.m. & 2:30 p.m.
TOTAL of 79 periods at MARSA BAIE DES ANGES and AURON
Studios, 2-room & 3-room apartments
STARTING PRICE:
FF 3,500 for a week
FF 31,500 for a fortnight
Information:
Maître de La Haye St Hilaire
Tel.: +33 (0)1 53 57 21 05 (Mrs. Delorme)
Visits:
On appointment on +33 (0)4 93 22 10 10 (Marina Service)

CAP FERRAT
Water edge villa - FF10M
Tuscan style villa - FF15M.
Modern villa fantastic seaview - FF20M.

NEAR MONACO
Magnificent seaview, classical style villa - FF15M.
Beautiful seaview, mediterranean style villa - FF16M.
"Belle Epoque" house, direct sea access - FF27M.

HAUSSMANN Group
Tel: +33 (0) 4 92 00 49 49
Fax +33 (0) 4 93 89 40 86

HISTORIC RIVIERA GARDEN OASIS 20 min Monaco, 15 min Italy. 15 acres + Riviera's most beautiful botanical garden & pool area. Superb 4-bedroom 18th cent. mas. 2-bedroom guest house. Offered at 30% below value for rapid sale. Tel 377 93 50 59 31

ANTIBES, 100 sq.m. 2-story house on 350 sq.m. garden + garage/automatic door + 3 parking spaces, in residence of 6 houses. Low registration fees. FF1.3M. Call 9am-7pm week: +33 (0)4 91483330, weekend: +33 (0)4 91 59 36 65

GRASSE, in high class residence, park, pool, tennis. 75 sq.m. flat, 3 rooms, bath. WC, equipped kitchen, high class fittings, air conditioning, garage, cellar. Very quiet 4th top floor, terraces. F695,000. Owner +33 (0)6 60 23 05 85 - (0)1 69 05 04 82

RIVIERA'S MOST ELEGANT HOME next Royals & Opio golf. Bishop Grasse's 18th cent. 6-bedroom palazzo dominating hilltop site, serene untouchable views Lovely pool & garden. Tel 377 93505931

CAP FERRAT WATERFRONT JEWEL. Uniquely beautiful 3-bedroom villa + 4 bedroom annexe. Private beach & boat pier. $1.8M Tel: +377 93 50 59 31

Spain

MALLORCA
PALMA, large house on + 800 sq.m. 5 bedroom, 4 bath. Large living room, pool, cth. Price $ 430,000.-
ESPORLAS, Farmhouse on 5,500 sq.m 4 bedroom 2 bath pool porch and terrace. Price $ 298,000.-
ATTRACTIVE HOUSE on 3 Ha. 5 bedroom and 4 bath. Pool and barbecue. Price: $ 828,000.-
We have also lots of flats, lodges etc.
Ribas de Reyna-Real Estate
Fax +34-71-71 79 30 E-Mail: ribas-rey@retemail.es
INTERNET: http://www.ribas-rey.com/ribas.htm

Canada

ELEGANT COUNTY HOUSE in Private area of fashionable St. Saveur. Four bedrooms, three bathrooms, sauna, fully equipped, beautifully furnished. Only 5 minutes from local ski areas, and 35 minutes from Mt. Tremblant Village. Available from October 15th to April 15th. US$20,000.00 for season Tel: 514 737-8860 Fax: 514-344-3875.

Costa Rica

COSTA RICA
We sell 247 ha on the Pacific Coast with private beach, near domestic airport.
Price : US$2,470,000
Tel: +33 (0)1 4633 5252 Fax 4633 9898

French Alps

CHAMONIX VALLEY FRANCE. Luxurious condo with great charm, fantastic views, large terrace, fireplace, 2 bedrooms, 2 baths, beautifully furnished. $315K. Contact: Penny Parrot 954-463-0500, Fax: 954-763-1053 USA.

French Provinces

LOIRE valley-CASTLE COUNTRY

In a charming village with all amenities. 19TH CENT. HOME with 2 living rooms (900 sq.ft.) study, 3 bedrooms, 2 baths, central heating, mint condition, tastefully decorated. Can be sold furnished or partially furnished. MUST SEE. Enclosed garden with manicured trees behing a French iron gate. Owner FF1,950,000. Tel/Fax +33 (0)2 54 20 19 74 ask for Claude

NUMARIUS France
Specialized in real estate investments proposes: Mas & Bastides in Provence. New and old revenue generating buildings
Fax +33(0)490760136 Tel (0)490760797

MENERBES LUBERON
Unique location. Historical site. 160 sq.m. living space. Landscaped garden. Pool. For details fax: owner +33(0)442263214.

PROVENCE: All kinds of properties. Please ask for Mrs Wagner. Agence Aurelier, F-84210 St Didier. Tel: +33 (0)4 90 66 07 53 Fax (0)4 90 66 12 35

French Riviera

CANNES, seafront, 130 sq.m. luxurious flat, view, pool, two big terraces, prestigious residence. Tel/Fax (0)4 91227827

Indonesia

10000 SQ.M. PRIVATE LAND. Direct to the beach of Bintan Island near Singapore. US$ 97 per sq.m. Call +31-251-245754. Fax +31-251-216434 (the Netherlands).

Italy

PIETRASANTA-LUCCA-TUSCANY
30 Minutes from Pisa.
On Italian Riviera and Apuan Alps.
Artistic Centre of Italy.
75 sq.m. house with 2 bedrooms, 1 1/2 bath, living room and 250 sq.m. garden. US$180,000. Excellent deal.
Tel: Italy 39 584 71517
Tel: Canada 519 9696591

VENICE Delightful spacious bright flat on the Giudecca. Top 2nd/3rd floors. including skylight studio + private roof terrace overlooking lagoon. Antique furnished. Fax +39-41 714 571 Email: r.wilk@ve.nettuno.it

VENICE - Apartment on GRAND CANAL between Accademia Bridge & Palazzo Grassi - 145 sq.m. - US$600,000. Box 0404, INT, 92521 Neuilly Cedex, France.

London

18TH CENTURY OASIS. 3 mins Westminster, 8 mins Eurostar. Unique 2,400 sq.ft. split-level property. Prestigious high security development. Undercover car parking. Large indoor swimming pool. Leisure centre Spectacular 35' living area. 2 elegant en-suite bedrooms. High walled patio. Fountain by front door. Ideal for entertaining. £565,000 Tel. 0171 735 5211 Fax 0171 735 4211

HOMESEARCH LONDON Let us search for you. We find homes / flats to buy and rent and provide corporate relocation services. For individuals and companies Tel: +44 171 828 1066 Fax + 44 171 828 1077 http://www.homesearch.co.uk/hsl.html

Monaco

IMMACULATELY REFURBISHED at a cost of FF7 Million - SPECTACULAR APARTMENT - 238 sq.m. with panoramic views of the Mediterranean, mountains and Monaco. Ample parking and storage. ONE OF THE PREMIER PROPERTIES AVAILABLE FOR SALE IN MONACO TODAY. Reduced transfer fees. For sale by owner at a realistic price Call +33 (0)6 09 37 03 04 or (0)6 80 28 28 01 or Fax: +377 93 25 75 32.

Spain

IBIZA - FEET in SEA. Delightful exceptional location, 2-bedroom apartment with 100 sq.m. treed garden overlooking sea. Direct access to private creek. US$135,000. Fax +33 (0)5 53 40 63 92 http://www.maisons-ardeche.fr/~property

Switzerland

LAKE GENEVA & ALPS
Sale to foreigners authorized our speciality since 1975

Attractive properties, overlooking views 1 to 5 bedrooms, from SFr 200,000
REVAC S.A.
52, Montbrillant CH-1211 GENEVA 2
Tel 4122-734 15 40 Fax 734 12 29

CHATEAU D'OEX: LUXURIOUS 4 1/2-room apartment on southwest side. Superb view. Living room with open fireplace, fully fitted kitchen, 2 bathrooms with toilet, guest toilet. 3 bedrooms, cellar. Indoor garage, in prime condition. Surface inside 100 sq.m., balcony 45 sq.m. Price SF 735,000. Info: Agence Lavoir, Chateau D'Oex Tel: +41 269 245500 Fax: +41 269 245400

MONTANA-CRANS, Valais, 1500m Apartment 2 bedrooms, 2 baths, about 80 sq.m. 2hrs Geneva airport. Southern view over Alps. Sale to foreigners authorized. Indoor pool & garage, all amenities. SFr 350,000 or best offer. Details. Owner, POBox 359, CH-1915 Charens or Fax: +41-21-963 56 02

LUXURIOUS VILLA-LAKE OF GENEVA in the historical surroundings of Castle of Ellenay. Beautiful view of lake & Alps, 1 hour Geneva airport and main ski resorts. 5 bedrooms, 5 baths, 2000 sq.m. highest standards of construction. Price SFr 1,700,000. By owner. Tel/Fax .00 41 21 943 38 91

USA Residential

NYC,NY
SUPERB MANSION
Fifth Avenue & low 60's
Elegant 6-story Beaux-Arts 25x100 ft. (7.5C x 30 mt), fully built Landmark Limestone Mansion. Entry through grand Louis XV marble lobby with magnificent fireplace & sweeping staircase.

Composed of triplex with 2 mezzanines. Double height (17 ft. high/5 mt.) Living & Dining rooms, & domestic 2-story Library. Master bedroom/dressing room suite & 2-3 bedrooms. All with fireplaces. Separate servant quarters plus an income generating professional suite & a floor through apartment which can also be incorporated into the owner's premises.

Comprehensive restoration recently completed by world-renowned int'l architect. Immediately available empty US $18 Million firm price. Sold by owner only to directly interested parties or their authorized representatives.
Fax initial inquiry to. +1-212-280-0160

SOUTHAMPTON VILLAGE NY. Original house built 1680's on prestigious street. Beautifully furnished. 5 bedrooms, 4 1/2 baths, main house. Enclosed garden, fabulous trees. Also, 2 bed/2 bath cottage. Both income bearing. Room for pool or tennis court. 5 minute walk to ocean beaches & exciting shops. $725K FIRM. Contact: Margot Horn, Broker 1-516-283-9020 Fax 1-516-283-8348 US.

HOBE SOUND, FL 30 miles north of Palm Beach. Yacht & Tennis community. 3,532 sf. 4 1/2 / 2 1/2. cll Intracoastal waterway. Pool. 55' dock, fireplace, solar, calc. $319,000. Tel: 561-546-3589 USA.

LONGBOAT KEY: An Island Paradise. Luxury homes/condos, estates. S. Oper, REALTOR, Ron Baldwin & Assoc. Tel/Fax 941-387-7199. E-Mail: LBK7@JUNO.COM.

Real Estate for Rent

NYC CENTRAL PARK VIEWS Magnificent 2300 sq. ft. condominium, 2-3 bedrooms, 3 bathrooms, living, dining, CPW & 60's 2 balconies, 24 hour doorman. US $2.295M negotiable. Owner relocating. Tel: 2128861970 Fax: 2125010560

Austria

VIENNA, Next to Opera: 1 bedroom, living/dining room, eat in kitchen, elegant, sunny, short term. Tel: 369 84 68.

Germany

BERLIN GRUNEWALD - 2 room luxury flat, fully furnished, terrace, garage, park view. Tel +49-30-8929936 Fax 89094101

MUNICH, near center, one-bedroom flat, completely furnished. From private. Tel: 00 43 6639200333

Holland

HOMEFINDERS INTL Herengracht 141 1015 BH Amsterdam Tel +31.20.6392252 Fax: 6392252 E-mail:woonselect@dp.nl

RENTHOUSE INTERNATIONAL
No 1 in Holland
for (semi) furnished houses/flats.
Tel: 31-20-6448751 Fax: 31-20-6465909
N'hoven 19-21, 1083 Am Amsterdam

Italy

FRANCIACORTA, 1 hour from Milan, 2 from Venice, luxurious apartment in 1600 villa in charming Italian countryside. 3/4 bedrooms, kitchen, living room, bathroom, antique furniture. Tel: +39 2 5510592 Fax +39 2 89010811

London

HIGH STREET KEN - W8 - SUPERB furnished 2-bed apartment, quiet, charm. Non-smoker. £500 per week. Free now. Tel: Paris +33 (0)1 1 45 74 24 21.

Switzerland

GENEVA, LUXURY FURNISHED apartments. From studios to 4 bedrooms. Tel: +41 22 735 6320 Fax +41 22 735 2571

USA

NYC FURNISHED APARTMENTS, 1 week to 1 year, Great Locations. Call Pat/Chiqui: 212-448-8223, Fax: 212-448-8226 E-Mail: athomeinnyc@aol.com.

Real Estate Wanted/Exchange

MAGNIFICENT EAST HAMPTON home. Modern, 5 bedrooms, pool, situated in 22 acres of woodlands. Would like to exchange for similar July/Aug. 6-8 weeks on French or Italian Riviera. Car provided. Fax: 212-714-0796 for details.

PARIS, Swiss looking for high standard apartment, 2-bedrooms, near Etoile 16 or 17 arrondissement, for weekly/weekend rental. Fax +41 1 451 39 64 or phone (evenings) +41 1 371 97 23

REAL ESTATE IN AND AROUND PARIS

78 REAL ESTATE AUCTION SALE in the Palais de Justice de Paris on Thursday October 2, 1997 at 2:30 p.m. - ONE LOT

ESTATE IN ST-GERMAIN-EN-LAYE (78)
3, rue du Mal Galliéni
including: 11-main room HOUSE and 3-main room cottage.
Outbuildings - POOL.
on about 1,319 sq.m. grounds.
Starting Price: FF 3,200,000.
Contact:
Maître PICHAT, Lawyer, Paris 12e
44, av. Daumesnil. Tel +33 (0)1 43 07 06 22
Maître BOISSET liquidator assignee at Paris 3e, 58 Bd de Sébastopol.

Record office of T.G.I. de PARIS where specifications are available

SALES

Paris and Suburbs

ILE DE FRANCE - 45km North of Paris 15 min from Charles de Gaulle airport, close SENLIS and CHANTILLY (4 golf courses, horse riding and races)

EXCEPTIONAL PROPERTY
composed of a main house + guest house surrounded by 4.53 ha old park (woods and lawn) in historical village. 250 sq.m. on 2 levels, 5 bedrooms, 3 baths/3 WCs, living and dining room, fireplaces, equipped kitchen. Cellars, 2-car garage. 3 rooms, equipped kitchen & bathroom in guest house.
Both houses sold either furnished with splendid tapestry, furniture and mirrors or unfurnished.
Sale by owner Fax +33-1 53 75 10 02
Tel: +33-1 53 75 10 04

15 MIN & 15 KM WEST OF PARIS by the A14, 20 min St Lazare station. Very beautiful 1958 MODERNIST house. 240 sq.m. living space on 2,000 sq.m. garden in private domain. Luxurious fittings. 60 sq.m. living, large fireplace, bay windows facing South, terraces, 4 bedrooms, 2 baths, 2 showers. Office. Room with jacuzzi & sauna. Outdoor heated swimming pool. Private quay on Seine. Water skiing, golf. Quiet. Greenery. Quality life style. Near shops. US$650,000. Tel: NY 212 219 9565 Fax NY 212 965 1348 Fax: Paris 01 39 75 74 94

PAINTERS VILLAGE
8 km from BARBIZON
HACIENDA STYLE PROPERTY secluded in 6,000 sq.m. park overlooking Seine river. 70 sq.m. verandah decorated with Leon Gauthier frescos (1860), large receptions, 10 bedrooms. Caretaker's house, garage, tennis, pool. MUST SEE - FF5 million
Tel: +33 (0)1 64 71 00 93 office or (0)1 64 24 67 05 home, Fax (0)1 6471 0094

8th, CLOSE CHAMPS ELYSEES and rue Fg St Honore, for sale in 19th cent. Haussmann style character building: OFFICES or HIGH CLASS apartment to be related (presently fitted as offices). About 300 sq.m. per level. Partial sale possible. VERY GOOD OPPORTUNITY.
Contact owner direct on
Fax +33 (0)5 56 20 01 69
Tel: +33 (0)6 07 65 65 19

RARE
VIEW EIFFEL TOWER
3 beautiful receptions,
3 bedrooms. 2nd floor,
very nice character building.
FG SAINT GERMAIN
5/6 rooms in beautiful character building, top floor, double living, dining, study. 2 bedrooms, 2 baths, charm. maids'rooms.
FEAU
LA BOURDONNAIS
(0)1 47 05 50 36

BARGAIN at 150m from
CHAMPS DE MARS
5-ROOM TRIPLEX with direct lift.
170 sq.m. renovated + 70 sq.m. terrace with trees & view Eiffel Tower. FF4,480,000 NEGOTIABLE + studette + parking. Direct Owner 06 07 70 16 44

AVENUE D'IENA
CORNER PLACE DES ETATS-UNIS
270 sq.m. flat in perfect condition, 70 sq.m. planted terrace, big reception, dining room, 4 bedrooms, 4 bathrooms, overlooking garden, 2 garages. Private parties only. Tel: +33 (0)1 47 20 91 48.

ILE SAINT LOUIS
VIEW SEINE
250 sq.m. (about) apartment in townhouse building, high class, charm, justified high price Tel: (0)1 56 58 01 76

17th, TERNES-PEREIRE 5/6 rooms, bright, 125 sq.m., 5th floor/lift, 3 bedrooms, triple living, equipped kitchen, pantry, bathroom/separate WC, mouldings. Gaz individual heating. Digicode, interphone, cellar. Freestone character building renovated 96. FF3,200,000. Tel: (answering service) 06 80 12 05 14 or internet Claude Rozes@paribas.com

16th, LUXURY MODERN 2 bedrooms converted into 1 vast bedroom (easily restored back to 2 bedrooms). Large living room, dining area, den alcove. Wall to wall sliding glass windows. Very bright and sunny. Many custom closets. Mirrored hallway, 107 sq.m. High security parking and cellar. Tel: (0)1 45 20 90 61

PLACE VENDOME (near) deluxe "pied a terre" 56 sq.m., excellent condition. Tel: +33 (0)1 4260 3932 (answering machine) or +33 (0)6 6043 6180 (mobile)

TROCADERO,
near, new high class building, deliverable end 1997.
Very beautiful "plain-pied",
37 sq.m. living + bedroom corner.
Start price FF1,250,000
Visit of the decorated apartment
15 RUE FRANKLIN
COGEDIM +33 (0)1 45 24 42 66

PARIS 16th - NEAR RADIO FRANCE & 5 mins to Hilton hotel & Statue of Liberty. 6th floor, 79 sq.m., double living, 2 bedrooms, small terrace & balcony. Exceptional 1931 building and apartment "Paquebot" architecture. Listed historical monument. US$320,000. For visit call owner on +33 (0)1 4288 7983 after 7:30 pm or Fax +33 (0)1 45 23 25 90 attention: Francois Boucher

SAINT LEU LA FORET, 12 minutes to La Defence, very large estate for sale, recent construction, traditional in freestone, 2,850 sq.m. landscaped park, possibility to build pool and tennis court. 350 sq.m. living surface. Price FF3.8 Mio. Tel: +33 (0)1 39 32 08 61 (in French)

MARAIS, TOP FLOOR OF A XVIIIm cent. BUILDING. Loft style fully redone, beams and fireplace. Large equipped separate kitchen. Calm and very bright. Direct owner FF1,150,000. Tel: +33 (0)4 70 32 74 66 Fax +33 (0)4 70 96 15 53

CROISSY, West Paris, impressionist area close English school. 230 sq.m. villa on 1,200 sq.m. grounds, triple reception, parental suite, 3 bedrooms/3baths. 2-car garage, wine cellar, heated pool. FF4.2M. *Owner +33 (0)1 39 76 41 96*

WEST PARIS - LE PORT MARLY - Louveciennes. Villa, constructed in 1993, on 800 sq.m. treed land, 250 sq.m. living space, 130 sq.m. basement. Price. FF3,300,000. Tel: +33 (0)1 30 86 23 00 Fax: +33 (0)1 30 86 23 30.

SAINT MANDE, Metro line 1. 100 sq.m. flat, character, sunny, fully renovated and decorated, large living, 2 bedrooms, equipped kitchen Tel/Fax +33 (0)1 43 74 15 79 Email: msarchi@club-internet.fr

8th, PRESTIGIOUS AVE MONTAIGNE. Splendid terrace apartment, high floor, 4 bedrooms, carparks, staff room, 24 hour security. Tel: MacAndrew +33 (0)1 4720 3051. Fax +33 (0)1 4723 5939

ST CLOUD, high class apartment, 104 sq.m., south, large living, 2 bedrooms, 2 baths, equipped kitchen. Parking. Closer int'l school, tennis, swimming pool. FF2,250,000. Owner +33 (0)1 4602 2726

ILE ST LOUIS, beautiful reception apartment, 125 sq.m., 1/2 bedrooms, wood panelling, fireplaces. Perfect condition. FF5.8M. WINDSOR Tel: (0)1 44 18 00 35 Fax (0)1 44 18 02 37

A.B.V.L.
Gerald Kremer
Your REAL ESTATE Agent in PARIS
Will do the research for you & will estimate the property
Tel.: 33(0)1 53 20 08 50
Fax.: 33(0)1 53 20 08 60
Union Member

PRESTIGIOUS ADDRESS in PARIS
Square Avenue Foch
(private lane)
LUXURIOUS RENOVATIONS in HISTORICAL TOWNHOUSE
120 sq.m. apartment
160 sq.m. apartment
Tel + 33 (0) 1 44 55 50 00
Fax + 33 (0) 1 42 60 55 91

YOUR PARIS APARTMENT & YOUR COUNTRY RESIDENCE IN ONE SINGLE HOME
12 km from Etoile / 7km from La Defense
Exceptional location, unlimited greenery, privacy. 2,300 sq.m. superb park with pool. Charming ancient house + modern independent guest house.
RARE QUALITY INVESTMENT.
Tel: +33 (0)1 47 71 63 55 exclusivity

NEUILLY - BARRES, 25 sq.m. STUDIO with small garden, groundfloor high class building with guardian & security, quiet FF750,000. OWNER +33 (0)1 4256 3707 Fax +33 (0)1 45612598 home: 47571400

EXCEPTIONAL VIEW over PARIS, class residence, 21st floor and 97 sq.m., 3 bedrooms, PONT DE NEUILLY-Puteaux. FF1,550,000. Tel: +33 (0)1 47 76 00 96

16th beautiful 180 sq.m. apartment in residential greenery, quiet, nice reception, 3 bedrooms, 2 baths, large balcony FF5,550,000. Tel: +33 (0)1 42 24 92 72

600 SQ.M. MANSION, 8,000 sq.m. of land, near Eurodisney, sold by owner. FF5 Mio. Tel: +33 (0)1 60 09 11 82

FRANCOIS 1ER, 263 SQ.M. High standing, quiet. FF6,500,000 negotiable. Tel. +33 (0)1 39 65 76 98.

NEAR DISNEYLAND, 158 sq.m. house, 976 sq.m. land. Sold by owner. FF1.5M. Tel. +33 (0)1 60 43 32 88, after 8pm.

ST GERMAIN DES PRES top floor view, 16th cent. house, 3/4 rooms, calm, rental possible. Ideal couple +33 (0)609787584

RENTALS

Paris Area Furnished

AGENCE CHAMPS ELYSEES
offers:
AVENUE CHAMPS ELYSEES: Studio, balcony, 4th floor, lift: FF7,000.
MONTPARNASSE: 2 rooms, parking, on garden: FF6,000. 3 rooms, charm. FF7,000. Artist's atelier, living, 1 bedroom: FF10,000.
6th, RUE DE RENNES: Studio, 6th floor, lift: FF4,500.
UNIVERSITE: 2 bedrooms, living, on courtyard, beams: FF13,000.
Tel: +33 (0)1 42 25 32 25
Fax: +33 (0)1 42 63 37 09

16th, AVE KLEBER, superb flat, double living + kitchen/dining + 2 double bedrooms + large wood-panelled study with fireplace + 1 small bedroom. FF20,000 - Direct owner. Tel +33 (0)1 47 20 88 60.

8th, 200 sq.m., LUXURIOUS 3 bedrooms, 3 bathrooms, tastefully furnished & decorated, fully equipped. FF35,000. CAPITALE Tel. +33 (0)1 42 66 35 60.

A RARE 1375 ACRES ESTATE WITH CASTLE. ONLY 1 1/4 hrs PARIS
Outbuildings. Woodland, ponds.
Ideal for quiet, hunting and leisure.
Tel/Fax: +33 (0) 1 46 21 62 68
A selection of large properties close to Paris

DE CIRCOURT ASSOCIATES
Ideal accommodation: studio-5 bedrooms
Quality and service assured
READY TO MOVE IN
Tel +33(0)143129800. Fax (0)143129808

(4th) ILE SAINT LOUIS
VIEW ON SEINE
2 apartments - Very luxuriously furnished
- Double living, 2 bedrooms, 2 baths. Rent: FF35,000 / month
- Double living, 1 bedroom, 1 bath + shower room. Rent: FF20,000/month.
Tel: +33 (0)1 56 58 01 76

IN PARIS - PRIVATE APARTMENTS in smart areas. Spacious, furnished and equipped for your comfort.
From FF9,300 per month for a large 2 rooms (FF3,600 per week). Smaller and larger apartments are available
We are ready to please you, just ask.
FRANCE LODGE, 41 rue Lafayette, 75009 PARIS. Tel: +33 (0)1 53 20 09 09 Fax: +33 (0)1 53 20 01 25

Embassy Service
YOUR REAL ESTATE
AGENT IN PARIS
Tel: +33 (0)1 47.20.30.05

CAPITALE * PARTNERS
Handpicked quality apartments, all sizes Paris and suburbs.
Tel: +33 (0)1 42 68 35 60
Fax: +33 (0)1 42 68 35 61
We help you best!

10th, caracter flat, 80 sq.m., 2 rooms, 1 double living, calm, sun, balcony, FRK/mo. 6/12 mo Tel: +33(0)147709710

16th, 1 bedroom, 70 sqm, luxurious, fully equipped, garden, very calm. FF8,900. Free 15th Oct. Tel: +33 (0)4 93 49 60 92

16th, BY OWNER, luxurious, long term. 42 sq.m., living, kitchen, bathroom, toggle FF5,500. Tel. +33 (0)1 40 68 23 24.

16th, TROCADERO, 75 sq.m. loft-style flat, newly equipped. CNN. FF9,000 + parking. Tel: Owner +33 (0)1 6986 0652.

6th, RUE CHRISTINE 50 sq.m. 2 rooms bright, calm, all comforts, 4th floor. FF6,500. Tel owner +33 (0)1 5542 1025.

7TH, 1 block from Eiffel Tower. Luxurious 4 bedroom, fully equipped. Tel: 310-452-2280 USA.

MA MAISON
Specialist in High Quality Furnished Homes throughout Paris
TEL / FAX: +33 (0)1 46 48 88 50
E-mail: mamaison@francemultimedia.fr

AT HOME IN PARIS
PARIS PROMO
Apartments to rent furnished or not.
Sales & Property Management Services.
25 Av Hoche 75008 Paris Fax 01-45611020
Tel: +33 (0)1 45 63 25 60

VENDOME INTERNATIONAL
Furnished Rental Specialists
5th - Luxembourg: Modern 3 bed duplex with private garden & fountain: FF19,000.
7th - Sunny 35 sq.m. studio: FF4,600.
Tel +33 (0)142885221. Fax (0)142885214
E-Mail: vendome@easynet.fr

ILE SAINT LOUIS - LE MARAIS & other areas - STUDIOS to 6 ROOMS - ONE WEEK to ONE YEAR. HIGH CLASS FURNISHED APARTMENTS MAID and maintenance services ASLOM Tel +33 (0)1 4349 6779. Fax (0)1 4366 3714

RENTING FURNISHED APARTMENTS near RER Le Vesinet or Sartrouville. From 4 days to 6 months From studios to 4 rooms. Tel: +33 (0)1 30 86 23 00. Fax: +33 (0)1 30 86 23 30.

CHAMPS ELYSEES - HIGH CLASS - Exceptional apartment for business use 50 sqm with balcony on Champs Elysees Call now +33 (0)1 4432 0317. Fax 0319

FACING NOTRE DAME - CHARMING 60 sq.m. in a 16th century building. Recently restored, equipped, furnished. 4th floor. FF12,000 Tel +33 (0)60 0969 8419

ILE ST LOUIS SPECIALISTS. Furnished luxurious apartments, view on Seine Weekly or monthly rentals Tel: +33 (0) 44 07 06 20 Fax +33 (0)1 46 33 37 73

METRO Pont de NEUILLY (2 mins) very nicely furnished modern studios in quiet passage. Bathroom or shower, FF3,300 or FF2,800 net. Call +33 (0)1 4747 0454

NEAR PANTHEON, attractive 2-bedroom flat, beams, private garden, 2 bathrooms. $2300 / month Tel: +33 (0)1 4331 6403.

CLOSE LOUVRE, fully equipped studio, bright/spotless. Short/long term. Owner Tel +33 (0)1142963867. Fax (0)142614724

ST GERMAIN, Exceptional 4 beds. FF23,000. BARNES & NAYLOR Tel +33 (0)1 45 74 24 21 Fax (0)1 45 74 60 12.

Paris Area Unfurnished

7th, ST. GERMAIN, 2 rooms in 17th cent. townhouse. 24 hr secure caretaker, heated pool-gym-saunas, equipped kitchen marble bath, cellar. FF11,000 or Sale FF1.9M. Tel +33 (0)1 42220268 caretaker. Tel/Fax Spain +34 5 282 8989, owner

NEUILLY MAURICE BARRES, 4th floor apartment, living, dining, 2 bedrooms, 2 baths, equipped kitchen, parking, maid's room possible. Key money. lease/furniture FF200,000. Tel office (0)1 45620410

MONTMARTRE, INDEPENDENT ROOM for student. Nice view, quiet, shower, central heat Tel: (0)1 49 24 99 17 office

HOLIDAYS

GOLF

Brand new mens set of
KING COBRA GOLF CLUBS
carbon shafts & LONGHAMPS BAG. US$2,990. Also founding membership Saumane Golf club FF25,000.
Fax +33 (0) 4 90 75 99 85

Chauffeur Services

FOR YOUR BUSINESS AND PRIVATE TRIPS call. +49-6196-481538. Chauffeur with luxury car, Frankfurt based, wants to drive you all over Germany and Europe.

Bed & Breakfasts

MANHATTAN LODGINGS, NYC. Short stay luxury apartments, superior B & B registry, many locations. Tel: 212-475-2080 Fax: 212-477-0420. www.manhattanlodgings.com

WASHINGTON, D.C. Bed & Breakfast. Luxury accommodations ideal for businessmen. Beautiful rooms or apartments. From US$60 to US$120 per day. TV, phone, fax etc. Tel: (202) 965-1694 E-mail: parosa@worldnet.att.net

Hotels

Lebanon

HOTEL AL BUSTAN. East of Beirut. 5 star deluxe. Exceptional location, security, comfort, fine cuisine, conventions, business services, satellite TV 18 min transfer from airport free. UTELL. Fax (961) 4-972439 / (+33) (0)1-47200077

DISCOUNT TRAVEL

3617 INVENDU
Compagnie Aérienne • Tours Opérateurs

U.S.A.

BREATHTAKING VIEW OF NEW YORK, 20 ft. glass wall: Central Park & City. Luxuriously furnished: piano, fax, cable. For business, musician or honeymoon couple. 1 block to Carnegie Hall, 2 to Letterman, 5 to Lincoln Center, Museums, Theaters. Weekly, Monthly, 3 day weekends (minimum) or long term. Tel: 212-262-1561, Fax: 718-884-4142

Holiday Rentals

Caribbean

ST. BARTHELEMY, F.W.I... OVER 200 PRIVATE VACATION VILLAS - beachfront to hillside with pools. Our agents have inspected all villas personally. For reservations on St. Barts, St. Martin, Anguilla, Barbados, Musique, the Virgin Islands... Call WIMCO//SIBARTH - U.S. (401)849-9012/fax 847-6290, from FRANCE 05 90 16 20 - ENGLAND 0 -800-89-8318

U.S.A.

SANTA MONICA
For October and November
2.5 Bedroom
Elegant, furnished townhouse
Secure environment
Gym Pool Tennis at Sand
$5500/mo. Tel: 310-559-2161

GENERAL

Employment

General Positions Wanted

MULTILINGUAL Communication EXPERT: French, German, English, Russian, Polish, Spanish, Italian, award winning film, video productions, advertising, public realtions, art management, MFA Columbia University, Eastern Europe expert, looks for professional challenges. CV and references available. Fax: 32.2.248.46.96

Domestic Positions Wanted

EXPERIENCED COUPLE - French, Portuguese Spanish and some English. Fax Lisbon: 351.1.4577352

Friendships

HIGH CLASS ATTRACTIVE LADY young 60ish. French aristocrat background, personality +, financially secure. Seeks goodlooking high class gentleman, financially secure with moral values to share life. Fax: 714-642-7111 USA

Legal Services

DIVORCE 1-DAY CERTIFIED
Call or Fax (714) 968-8895 Write: 16787 Beach Blvd. #137, Huntington Beach, CA 92648 U.S.A.- e-mail - wsorm@juno.com

DIVORCE IN 1 DAY. No travel. Write: Box 377, Sudbury, MA 01776 USA. Tel: 978/443-9387, Fax: 978/443-0183.

Wines & Spirits

UNIQUE WINE OPPORTUNITY. Collector offers for bid, 3, 4, and 6 packs of various Parker 100 and other selected Bordeaux and Yquem 1982-1990. For details fax Switzerland +41 21 7812507

+44 171 420 0348

Real Estate for Rent

SHILLA DYNASTY CLUB
Our guests are richly rewarded with gift certificates to make their stay a special experience.
SHILLA (82-2)233-3131

Herald International Tribune
BUSINESS/FINANCE
FRIDAY, SEPTEMBER 19, 1997

SHILLA DYNASTY CLUB
Our guests are richly rewarded with gift certificates to make their stay a special experience.
SHILLA (82-2)233-3131

Whirlpool To Focus on New Markets

Company to Shed Jobs And Sell Finance Unit

Compiled by Our Staff From Dispatches

BENTON HARBOR, Michigan — Shares in Whirlpool Corp., the world's largest maker of home appliances, surged Thursday as the company said it would sell its appliance-financing unit to TransAmerica Corp. for $1.35 billion and build up its home-appliance operations in Latin America and Asia.

The company also said it would close some plants and cut 4,700 jobs in Europe, North America and Asia, or about 10 percent of its work force. The job cuts and plant closings would result in a third-quarter charge of $180 million.

The restructuring is aimed at increasing Whirlpool's sales in countries such as Brazil and China, where there is a growing demand for its appliances. Whirlpool's sales growth has slowed in the United States and Europe as it faces competition from General Electric Co., Maytag Corp. and Electrolux AB, among others, analysts said.

The company manufactures in 13 countries and markets products under 11 major brand names in about 140 countries.

"We are surprised by the move, but we're pleased," said Neilson Brown, a portfolio manager with Invesco Capital Management. "They are focusing on their stronger markets, so this comes as good news."

Whirlpool said the restructuring would cut annual costs by about $180 million by 2000.

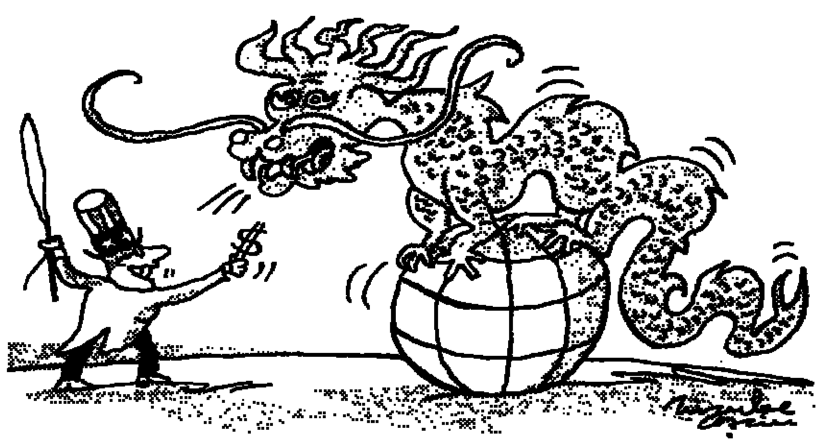
Whirlpool's shares jumped $8.375 to close at $65.1875.

Whirlpool said July 31 it was exploring "strategic business options" for Whirlpool Financial Corp. as it assessed how to make its business more profitable.

In addition to selling the finance unit, Whirlpool is selling a portfolio of loans from its former aerospace unit for about $250 million. Combined, the sales would give the company a gain of $1.6 million, although it was not yet clear what quarter that would be taken in, the company said.

To increase its Brazilian operations, Whirlpool said it would buy an additional 33 percent stake in Brasmotor SA for $217 million, raising its stake in the company to 66 percent. Brasmotor is the holding company that controls the Multibras SA Eletrodomesticos appliance company, which has the largest market share in Latin America.

As part of its purchase of Brasmotor, Whirlpool plans to name the Brazilian company's chairman, Miguel Etchenique, to its board, increasing it to 13 members. *(Bloomberg, AP)*



Which Future for China: Threat or Positive Force?

By Reginald Dale
International Herald Tribune

THINKING AHEAD
COMMENTARY

WASHINGTON — Does the arrival of a brash new great power on the world stage have to spell trouble for everyone else? It is only too easy to take one look at today's China and conclude that the answer is yes.

In the United States, the dramatic rise of China is often compared, at least potentially, to Germany's devastating quest for dominance in the first half of the 20th century. Most of China's Asian neighbors are also extremely nervous of Chinese expansionism.

But for now, to many people, the Chinese threat looks less military than economic. Competition from China's plentiful low-wage workers is blamed for contributing to the current financial crisis in Thailand and other Southeast Asian nations.

Fears that a flood of cheap Chinese exports will destroy jobs and living standards in the industrial countries are being exploited by opponents of economic globalization to undermine support for free trade in the United States and elsewhere.

But there is nothing inevitable about the Chinese economic threat. On the contrary, it is just as easy to imagine a rosy scenario, in which China makes a hugely positive contribution to the world economy — an analysis that has received encouragement from two separate developments in recent days.

First came President Jiang Zemin's extraordinary commitment at the Communist Party congress to push China further toward a market economy in which capitalist concepts such as private ownership and the downsizing of bloated work forces would be given much freer rein.

Of course, that will be easier said than done; it will take longer than many outside China would like. But Mr. Jiang's speech was still a big step in the right direction. It constituted a remarkable acceptance of the realities of the modern world and of the globalization process.

The second, less highly visible event was the publication of a major study by the World Bank, "China 2020," which should be required reading for anyone worried about China, not to mention for the country's leaders in Beijing.

The bank concedes that China could go badly wrong. Slower growth and rising inequality could by 2020 turn the country into a "tinderbox of tensions," wracked by disputes with its trading partners.

Alternatively, however, China could become "an agile, modern and adaptable economy," trading profitably and peacefully with the rest of the world, to the advantage of everyone, including its Asian neighbors.

This China would not look like an aggressive imperial or Nazi Germany. It would be more like 19th-century America, and postwar Japan in the 20th century, as they emerged as major trading powers. In both cases, the results were good both for the countries themselves and for the world at large, the bank says. The same should hold true for China.

If China's trade were to expand in line with the bank's projections, its growing share of world trade in the 21st century would look little different from the pattern the United States and Japan followed before it.

In fact, the bank says, with today's stronger trade, financial and communications links — in a word, globalization — the world is better equipped than it was 50 or 150 years ago to handle the emergence of a major trading nation.

But the main point is that this utopian state of affairs will not come about unless China vigorously pursues reform and opens its economy. China's inefficient state industries will have to take their turn suffering from foreign competition. There will be short-term pain before long-term gain.

But China, with its unique combination of Marxist-Leninist thinking and several thousand of years of history, tends to take the long view. Hopefully, that is what Mr. Jiang is doing now.

2 Accounting Behemoths to Merge

By Tom Buerkle
International Herald Tribune

LONDON — Coopers & Lybrand and Price Waterhouse announced plans Thursday to merge into the world's largest accountancy and consulting firm, a move designed to keep pace with the global reach of their biggest corporate clients.

The combined firm, a private partnership, will dwarf many of the corporations it aims to serve, a sign of the heady growth and concentration of the accounting and consulting industry in recent years.

The company would have more than 8,500 partners and 135,000 employees in more than 100 offices around the world and expects to generate revenue that could exceed $13 billion this year.

That would vault it to the top of the industry's rankings, ahead of Andersen Worldwide.

"Our decision to combine has been driven by the recognition that our clients require seamless global support and unprecedented levels of expertise that, until now, were simply not available from any one organization," said Nicholas Moore, chairman of Coopers & Lybrand International, who would become chairman of the merged group.

James Schiro, chief executive of Price Waterhouse, would hold that post at the new firm.

Competition has intensified within the industry in recent years as firms have moved to expand beyond their bread-and-butter business of tax auditing to offer advice on everything from corporate strategy to operating computer and software systems.

Executives say those services are increasingly in demand around the world as major corporations seek new markets and production sites in Asia, Eastern Europe and Latin America.

"Clients now expect you to do in Timbuktu what you do in London," said Peter Smith, the chairman of Coopers & Lybrand UK. "They want consistent quality and seamless service."

But some industry specialists worried that this deal was one too many.

"They're global anyway, so going megaglobal doesn't achieve anything," said Anthea Rose, chief executive of the Association of Chartered Certified Accountants, a British professional organization. The proposed merger may only reduce competition and complicate the efforts of national regulators to enforce standards against the power of global behemoths, she said.

Other analysts predicted inevitable difficulties in trying to merge the cultures and personalities of a business that consisted mainly of human capital.

"There are structural problems to bringing together two very large organizations," said Philip Abbott, head of Industry Research Group in London.

But executives at both Coopers & Lybrand and Price Waterhouse said that the two firms were complementary businesses with little geographic or industry overlap.

The Big Six Turns Five
Fee income, in billions of U.S. dollars

PREMERGER			POSTMERGER		
1	Andersen Worldwide	9.5	1	C&L/PW	11.8
2	KPMG	8.1	2	Andersen Worldwide	9.5
3	E&Y	7.5	3	KPMG	8.1
4	C&L	6.8	4	E&Y	7.8
5	DTTI	6.5	5	DTTI	6.5
6	PW	5.0			

Source: International Accounting Bulletin, Dec. 1996 World Survey IHT

Yaohan Reaches Financial 'Dead End'

By Velisarios Kattoulas
International Herald Tribune

TOKYO — Yaohan Japan Corp., the Japanese arm of a maverick supermarket chain that once boasted of plans to open 1,000 stores in China by 2010, filed for bankruptcy Thursday, saying it had reached a "financial dead end."

The collapse of Yaohan, which embarked on a spending spree in the late 1980s, opening 200 stores in 13 nations worldwide, illustrated the problems Japanese companies face in parlaying savvy at home into profits overseas.

"It was a wild company," said an analyst who asked not to be named. "Its disclosure was always poor, and it was never clear exactly what was going on there." The Tokyo Stock Exchange suspended Yaohan's shares, which slid 22 percent to 70 yen (58 cents) before its collapse was announced. The shares have plummeted 87 percent since the beginning of the year.

In a statement, Yaohan said that "with a near-term improvement in our finances not expected," it had decided to file for court protection as a last resort.

Japan Credit Rating Agency indicated that it expected Yaohan to default on its debts by slashing its bond rating from B-minus to D-minus.

Yaohan's total debts exceeded 161 billion yen, the company said. Of that amount, 43.7 billion yen was in loans, 37.4 billion yen in convertible bonds and 49 billion yen in mortgaged borrowings. The rest was owed to suppliers.

Yaohan's bonds, some of which are owned by individuals, are not backed by collateral, raising the risk investors may not get back their money.

The Stock Exchange of Hong Kong also suspended four Yaohan affiliates listed there over uncertainty about the company's future. The four affiliates are Yaohan Food Processing & Trading Co., Yaohan Hong Kong Corp., Yaohan International Caterers Ltd. and Yaohan International Holdings Ltd.

In the past few years, the company has evaded its long-expected bankruptcy by selling some of its most profitable stores in Japan.

Yaohan, hit hard by the spread of cut-price supermarkets in its main market areas, also planned to pay debts by cutting its stake in a large mall in Shanghai. The company had been trying to sell assets in Malaysia and the United States as well. Yaohan also hoped to raise 20 billion yen in loans that never mate-

See YAOHAN, Page 14

Investors Are Flocking Back to Wall Street

By Mitchell Martin
International Herald Tribune

U.S. STOCKS

NEW YORK — Wall Street has seemingly recovered from its summer swoon, with stocks extending their rallies Thursday in a bullish atmosphere.

Led by a drop in bond yields, the Dow Jones industrial average closed at 7,922.72, up 36.28 points, after rising at one point as high as 8,020.43.

Investors were flocking into the market, notably the blue-chip issues, attracted by a "steady as she goes" economy, according to Alan Ackerman, executive vice president of Fahnestock & Co.

"We're in an era of growth with low inflation and little movement in prices for either goods or wages and that has set a favorable tone for both stocks and bonds in America," Mr. Ackerman said.

While the Dow climbed toward the 8,000 level, last seen more than a month ago, bond prices weakened slightly despite an absence of inflation in the U.S. economy. The benchmark 30-year Treasury bond was yielding 6.40 percent, up slightly from 6.39 percent Wednesday.

Still, Charles Earle, a fixed-income strategist at Gruntal & Co., is predicting yields will fall to 6 percent. He noted that as the government moved toward a balanced budget, it was paying down its debts, reducing the number of Treasury bonds on the market. This, coupled with growing international demand for U.S. investments, is the basis for his bullish outlook.

With yields declining in the credit markets, stocks are growing in attractiveness.

"Bonds," Larry Rice, chief investment officer at Josephthal, Lyons & Ross, told Bridge News. "It's the same take that's been on the market for the last several days — the bond market."

As bond yields move lower over the longer term, Mr. Rice said, it "reaffirms that the economy is in fairly good shape, there are no real inflationary pressures and everything continues to move along."

With the market in such a buoyant mood, even factors that might be worrisome are being greeted as good news. When the government reported Thursday that the U.S. trade deficit expanded to a larger-than-expected $10.3 billion in July, the news was taken as a sign that economic growth will not accelerate to the point where inflation becomes problematic.

It was growing American purchases of foreign-made goods that led to the widening deficit, according to David Hensley, an economist at Salomon Brothers Inc., who noted that exports were more stable. Mr. Hensley said he remained wary about the inflation outlook, saying that demand for goods and services is strong in the U.S. economy even if the demand has not yet translated into higher prices for them.

Nonetheless, after a week of favorable economic reports, the chances that the Federal Reserve Board will raise interest rates this year seem to be receding. Given that backdrop, Mr. Ackerman said he thought the Dow would surpass its Aug. 6 record close of 8,259.31 before the end of 1997.

See STOCKS, Page 14

CURRENCY & INTEREST RATES

Cross Rates

Sept. 18

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.993	3.216	1.1265	0.3352	0.1154*	—	5.457*	1.3652	1.6385*	1.4349	1.3345*
Brussels	36.61	28.25	20.6375	6.142	2.1154*	18.3265	—	25.055	8.3814	23.36	24.58*
Frankfurt	1.7894	2.8388	—	0.2977	0.1025*	0.888	4.8463*	1.2143	1.4681*	1.274	1.1852*
London (a)	1.6161	—	2.8618	9.6124	2,792.54	3.2219	59.0442	2.3392	197.3897	2.2448	241.5262
Madrid	149.254	239.523	84.396	25.123	8.648*	74.946	4.085	102.397	123.228*	107.486	—
Milan	1,722.38	2,741.58	975.45	290.35	—	866.18	47.334	1,184.78	14.225	1,241.20	11.578
New York (b)	—	1.6115a	1.7796	5.9775	1,737.00	5.9775	36.74	1.4461	121.935	1.3921	149.35
Paris	5.940	9.534	3.3594	—	0.3443*	2.9832	0.1628	4.0859	4.9051*	4.2784	3.981*
Tokyo	120.90	193.45	68.19	20.30	0.78	68.57	3.3851	82.69	—	87.34	0.8087
Toronto	1.3911	2.2389	0.7817	0.2328	0.0801*	0.6942	0.3787*	0.9495	1.1423*	—	0.927*
Zurich	1.4608	2.3555	0.825	0.2455	0.0845*	0.7327	3.9972*	—	1.3996*	1.0517	0.977*
1 ECU	1.1116	0.6927	1.9659	6.6042	1,918.43	2.2138	40.566	1.6203	134.64	1.27	165.88
1 SDR	1.3643	0.8503	2.4139	8.105	2,354.41	2.7169	49.6884	1.9887	164.808	n.q.	203.587

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York rates at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	279.59	Mex. peso	7.742	S. Afr. rand	4.678
Australian $	1.3984	Hong Kong $	7.7414	N. Zealand $	1.587	S. Kor. won	909.60
Austrian sch.	12.445	Hung. forint	194.56	Norw. krone	7.176	Swed. krona	7.5722
Brazil real	1.0936	Indian rupee	36.345	Phil. peso	33.80	Taiwan $	28.61
Chinese yuan	8.3175	Indo. rupiah	2975.00	Polish zloty	3.42	Thai baht	35.90
Czech koruna	33.40	Irish £	0.67	Port. escudo	179.85	Turkish lira	170280.
Danish krone	6.735	Israeli shek.	3.5004	Russ ruble	5849.50	UAE dirham	3.6725
Egypt. pound	3.3983	Kuw dinar	0.3028	Saudi riyal	3.75	Venez. boliv.	495.75
Fin. markka	5.288	Malay. ring.	3.0125	Sing. $	1.517		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6024	1.6001	1.5983	Japanese yen	120.68	120.10	199.65
Canadian dollar	1.3854	1.3830	1.3807	Swiss franc	1.4559	1.4544	1.4533
Deutsche mark	1.7658	1.7620	1.7589				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

Sept. 18

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5½ - 5⅝	3⅛ - 3⅜	1⅜ - 1½	7 - 7⅛	3⅜ - 3½	⅜ - ½	4⅜ - 4½
3-month	5⅝ - 5¾	3⅜ - 3½	1⅝ - 1¾	7⅛ - 7¼	3½ - 3⅝	½ - ⅝	4½ - 4⅝
6-month	5¾ - 5⅞	3⅜ - 3⅝	1½ - 1⅝	7¼ - 7⅜	3½ - 3⅝	½ - ⅝	4½ - 4⅝
1-year	5⅞ - 6	3½ - 3⅝	1⅝ - 1¾	7⅜ - 7½	3⅝ - 3¾	⅝ - ¾	4½ - 4⅝

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds	5½	5½
90-day CDs dealers	5.59	5.60
180-day CP dealers	5.50	5.50
3-month Treasury bill	4.96	4.98
1-year Treasury bill	5.18	5.17
2-year Treasury bill	5.79	5.78
5-year Treasury note	6.00	5.99
7-year Treasury note	6.04	6.03
10-year Treasury note	6.09	6.09
30-year Treasury bond	6.40	6.39
Merrill Lynch 30-day RA	5.08	5.08
Japan		
Discount rate	0.50	0.50
Call money	0.44	0.43
1-month interbank	0.62	0.59
3-month interbank	0.54	0.54
6-month interbank	0.54	0.54
10-year Govt bond	2.18	2.17
Germany		
Lombard rate	4.50	4.50
Call money	3.15	3.15
1-month interbank	3.22	3.22
3-month interbank	3.31	3.31
6-month interbank	3.45	3.43
10-year Bund	5.52	5.79

Britain		
Bank base rate	7.00	7.00
Call money	7.00	7.00
1-month interbank	7.00	7.00
3-month interbank	7¼	7⅛
6-month interbank	7⅜	7⅜
10-year Gilt	6.62	6.73
France		
Intervention rate	3.10	3.10
Call money	3⅜	3⅜
1-month interbank	3¼	3¼
3-month interbank	3⅜	3⅜
6-month interbank	3⅝	3½
10-year OAT	5.45	5.49

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	320.65	320.90	+0.40
London	320.65	320.85	+.040
New York	322.80	322.80	+0.60

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

baerwatch

Insights for investors from the worldwide research of Julius Baer

EMU and your wealth – problem or opportunity?

A large majority of investors believe that European Monetary Union will start as planned in January 1999. Before, during, and after its implementation, the euro will have a profound impact on the investment marketplace worldwide.

With a punctual launch of EMU, investors face a number of uncertainties: First, the number and identity of the countries that will be initially accepted for EMU membership. Although this will be unknown until spring 1998, we are of the opinion that there will not be a small union of hard currencies, but a merger of a larger group of currencies which in the longer term could expand to countries not yet in the EU.

Second, the determination of the fixed exchange rates between national currencies and the euro. In practice, setting these rates will be the task of the governments and the European Commission during the run-up to EMU.

Third, the effect of EMU on international forex markets, e.g. the US dollar, sterling, Swiss franc. The principal aim of the European Central Bank will be to ensure long-term price stability. We believe that the ECB will achieve this goal and that the euro will create a currency bloc rivaling that of the U.S. in size and providing a crucial counterweight to it. Moreover, after a transitional period, the euro will be used as a reserve currency to a far greater extent than the D-Mark now.

"The euro can be a dynamic force for Europe's future."
From our quarterly "euro-monitor"

Equities, Bonds, and the Euro

EMU will accelerate deregulation, competition and emphasis on shareholder value that have supported stock market performance. Thus a greater exposure to equities is likely to be implemented in the future. For fixed income investors, the absence of exchange rate risk and the expectation that interest rates should remain rather low in comparison to previous business cycles will reduce the typical opportunities of capital diversification. Resulting alternatives: take on more risk with euro bonds or expand investments into non-euro bonds.

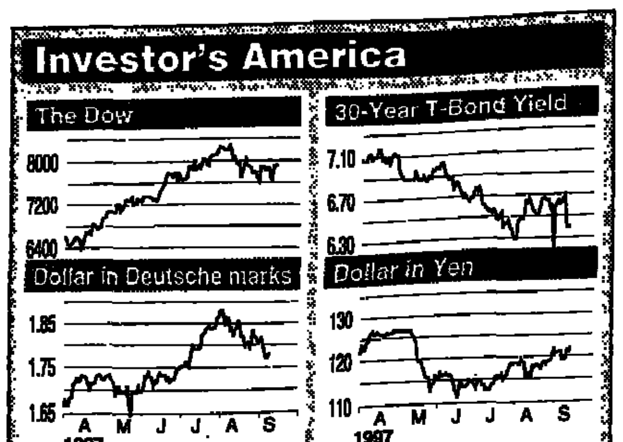
In view of the uncertainies surrounding EMU at present, there are obviously no patent solutions for an optimal investment strategy. Since the objectives and time horizons of each investor are different, an individually structured portfolio is a must to balance risk and opportunity.

Want to know more about EMU and its implications for investors? Or discuss an asset management relationship with the Julius Baer Group? Just call Joseph A. Belle, Telephone (+41-1) 228 55 59. Or visit us on Internet: http://www.juliusbaer.com

JB&B
JULIUS BAER GROUP
Zurich Geneva London New York Frankfurt
PRIVATE BANKING - INSTITUTIONAL ASSET MANAGEMENT - TRADING

THE AMERICAS

Investor's America



Exchange	Index	Thursday @4 P.M.	Prev. Close	% Change
NYSE	The Dow	7922.72	7886.44	+0.46
NYSE	S&P 500	947.42	942.99	+0.47
NYSE	S&P 100	913.02	910.74	+0.25
NYSE	Composite	495.41	493.21	+0.45
U.S.	Nasdaq Composite	1670.02	1666.48	+0.21
AMEX	Market Value	686.80	683.91	+0.58
Toronto	TSE Index	6973.26	6900.40	+1.06
São Paulo	Bovespa	11696.58	11489.57	+1.75
Mexico City	Bolsa	5080.07	4963.82	+2.55
Buenos Aires	Merval	829.24	821.58	+0.92
Santiago	IPSA General	Closed	5528.69	
Caracas	Capital General	N.A.	10528.58	

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

GM Might Sell 14 Parts Operations

TROY, Michigan (AP) — General Motors Corp. said Thursday it wanted to sell 14 parts operations that employed more than 11,000 people.

Employees of GM's Delphi Automotive Systems were told of the possible sales Thursday, said Karen Hulsey, a Delphi spokeswoman. The fate of employees — including whether there would be layoffs or if employees would move to other GM operations — would be negotiated as part of the sale, she said.

• **Chiquita Brands International Inc.** of Cincinnati has agreed to buy **Stokely USA Inc.** for about $110 million, most of it in assumption of debt, as the banana and fruit-processing company seeks to bolster its canning operations.

• **Montgomery Ward** won a judge's approval for an incentive package that could pay employees as much as $124 million in bonuses and other compensation if they stayed with the troubled retailer during its bankruptcy reorganization.

• **ITT Corp.**'s plan to split into three companies won the approval of the Nevada Gaming Control Board, pending a decision by a federal judge this month. Las Vegas-based ITT, which operates the Sheraton hotel chain and Caesars World casinos, needs state approval for the split.

• **The Securities and Exchange Commission** accused six people of masterminding a scheme involving the "leasing" of shares in small companies. The commission said they had managed to defraud a Swiss bank, **Bank Leu**, of $3 million, and to defraud **Lehman Brothers** of $6.5 million. The SEC said that the defendants had not cooperated in the investigation and that no settlement was expected.

• **3Com Corp.** expects to be named a key supplier of parts to **Compaq Computer Corp.** as part of Compaq's push to expand its build-to-order personal computer business. 3Com said it was in the "final stages of discussion" with Compaq Computer. *Bloomberg, NYT*

A Reason for 'Irrational' Strife

Strikes May Hurt Both Sides but Can Prevent Future Clashes

By Steven Pearlstein
Washington Post Service

WASHINGTON — When the Teamsters union's strike against United Parcel Service of America Inc. was settled last month, analysts generally agreed that the company had capitulated and the workers were the big winners.

In many respects, they were: UPS gave up its effort to withdraw from the Teamsters pension fund, accepted strict limits on subcontracting and agreed to give full-time jobs to 10,000 part-timers who wanted them. *In terms of* hourly pay, however, the results of the strike were more ambiguous.

According to an analysis by the Employment Policy Foundation, an employer-funded research group, the average full-time UPS employee will have to wait until the final year of the five-year contract to come out ahead of where he would have been if the union had accepted the company's last offer before the strike. The analysis factors in the average worker's lost income of $1,843 during the 15-day strike.

The typical part-timer, the foundation said, will actually earn less money over the life of the contract than if the union had accepted the company's final offer.

"The point we wanted to make," its president, Edward Potter said, "is that in recent years it has been self-defeating for workers to go out on strike." He said a review of 20 major strikes since 1989 had found that only two could be justified in terms of higher incomes for typical workers.

Rand Wilson, a spokesman for the Teamsters, declined to comment on the foundation's calculation, saying it was not a useful way to evaluate a contract involving issues much broader than hourly pay. By the same logic, he said, UPS shareholders would have been better off if management had accepted the union's last prestrike offer. UPS has said its volume of packages shipped has declined 4 percent to 6 percent.

On the surface, it would appear that UPS and the Teamsters were equally irrational in getting into a strike. According to David Lipsky, a professor of industrial labor relations at Cornell University, academic studies have long found that few strikes are ever justified on a financial basis for either side.

Why, then, do strikes occur, if they do not benefit anyone? The answer, according to labor experts, is that it is perfectly rational for both sides to get into strikes occasionally, if only to establish bargaining credibility for the next couple of contract negotiations, when a strike can be avoided.

If a company knows its union will never strike, then it would be irrational for it not to make a smaller "best and final offer" than it would make under duress. If a union knows a company will always cave in at the last minute to avoid a work stoppage, then it logically would make lavish contract demands.

The willingness of economic actors to occasionally act irrationally keeps the whole system rational, said Robert Frank, a Cornell economist. "In any sort of negotiation, if you advertise yourself as a perfectly rational person, you wind up being a sitting duck," he said.

STOCKS: *Wall Street on a Rebound*

Continued from Page 13

Although some comparisons have been drawn to 1987, when the market gave up all of its gains for the year in a one-day October selloff, Mr. Ackerman noted that the economy was growing. Additionally, he said, prices were being supported by "the small investor who today is better educated than the investor in 1987 and appears prepared to stay the course." He added, "The flow of money into the mutual continues to be impressive."

Among active issues, Whirlpool was sharply higher after it said it would sell its finance unit and cut 4,700 jobs. That is the kind of corporate strategy that has been credited with making American companies competitive in the 1990s. The job cuts, amounting to about 10 percent of the appliance-maker's work force, are spread around the world.

Tektronix also was higher after the company announced plans to cut about 250 jobs from its video and networking division as part of an effort to return to profitability. Tektronix, based in Wilsonville, Oregon, also said late Wednesday that it would streamline product offerings and reduce the unit's expenses, The Associated Press reported.

Georgia-Pacific rose after saying Wednesday that its third-quarter earnings report would exceed analysts' expectations. The forestry products giant is planning to issue a new class of stock to track the performance of its timber business, leaving its building-products operations under the main listing.

Bankers Trust was higher even after it denied a televised report that it was a takeover target.

American Home Products rose in active trading, following several days of decline. The company has withdrawn two obesity drugs after concerns were raised about their effects on user's hearts.

Security Capital Group class B shares were trading at $34.125, well above their $28 offering price. The real-estate investment and management concern sold more than 22.5 million shares for $630 million in the initial public offering. The size of the offering was increased from 15.1 million shares, which had been expected to sell for as little as $25 each.

In over-the-counter trading, American depositary receipts of Memtec, the Australian maker of filtration products, were sharply higher. The company received a bid from U.S. Filter, which it rejected as "opportunistic and woefully inadequate," according to Bloomberg News. U.S. Filter was slightly lower on the New York Stock Exchange.

■ LCI Buys Rival Phone Firm

LCI International agreed to buy USLD Communications for $354.8 million in stock and assumed debt as it seeks to improve in competition with such larger long-distance carriers as AT&T, Bloomberg News reported from McLean, Virginia.

Under the agreement, LCI will exchange $20 of stock for each of USLD's 16.6 million shares outstanding, or $331.8 million. The transaction represents a 10 percent premium on USLD's closing share price of $18.125 on Wednesday. LCI also will assume $23 million of debt and take an unspecified charge related to the purchase.

LCI shares rose 6.25 cents to $24.125.

By acquiring San Antonio-based USLD, LCI will expand into the Southwest and Northwest and add customers in the West and Southeast. The company will also be able to add more corporate customers, a market reached by USLD.

"This is a highly strategic combination," said William Vogel of Montgomery Securities. "The move will allow them to grow faster."

Mr. Vogel said he did not expect any cost-cutting benefits from the acquisition. Instead, he said, the combination will provide LCI a better return on the telecommunications capacity it has by giving it more customers.

LCI said it expected the combination to add about 1 cent a share to earnings in the year after completion of the acquisition, expected by 1998.

LCI said it planned to lay off some of USLD's administrative employees, although the company said it was likely to keep most of USLD's 700 workers. LCI declined to say how many employees it planned to dismiss.

USLD provides long-distance and local phone services as well as operator services for the hospitality and pay-phone industries. McLean, Virginia-based LCI is the No. 6 U.S. long-distance carrier.

The three largest companies, AT&T, MCI Communications and Sprint, have about 90 percent of the long-distance market.

"LCI has an enormous amount of available capacity, compared to AT&T and MCI," Mr. Vogel said.

The transaction will be accounted for as a pooling of interests.

LCI provides worldwide voice and data transmission services. It serves businesses, residential customers and other carriers through its fiber optic network.

G-7 Puts Currency Market on Hold

Compiled by Our Staff From Dispatches

NEW YORK — The dollar was higher against most other major currencies Thursday in spite of a worsening U.S. trade deficit, and dealers said any major movement was unlikely before the weekend meeting of the Group of Seven industrial countries in Hong Kong.

The dollar lost early gains after the Deutsche mark benefited from German money-supply figures showing stronger-than-expected growth and a report from the Ifo institute that mentioned the possibility of higher German rates in the

FOREIGN EXCHANGE

next few months in view of the economy's growing strength.

The Bundesbank left interest rates unchanged, however, at its regular *Thursday session.* The dollar was quoted at 1.7796 Deutsche marks in late trading, up from 1.7724 DM on Wednesday, and at 121.935 yen, up from 120.90 yen.

"The market's ready to push the dollar up but is waiting for a political green light from the G-7," said David Thwaites, an analyst at Credit Lyonnais Capital Markets.

The dollar was also quoted at 5.9775 French francs, up from 5.9510 francs, and at 1.4661 Swiss francs, up from 1.4615 francs. The pound rose to $1.6115 from $1.6013. *(AFP, Reuters)*

YAOHAN: *Unconventional Retailer Files for Bankruptcy*

Continued from Page 13

rialized from unidentified "friends" of Kazuo Wada, its Shanghai-based chairman who reputedly has close ties with top Chinese Communist Party officials.

Nonetheless, Mitsumasa Wada, Yaohan's president and the brother of its chairman, said at a news conference in Tokyo that its foreign subsidiaries would continue operating.

"Offshore operations, including Yaohan Holdings International, do not have a direct involvement with this," he said after the company filed for bankruptcy in Numazu, its home town in Shizuoka Prefecture, south of Tokyo.

"Starting from December 1997 until 2001, we were supposed to raise 10 billion yen a year to redeem convertible bonds," the younger Mr. Wada said. "But it now seems to be impossible."

"The loans were supposed to be provided to Wada as an individual and the company," he said.

Yaohan said in August that it would take out the extra loans in September to pay suppliers and late bonuses to employees.

In the year that ended in March, Yaohan Japan had a consolidated pretax loss of 5.1 billion yen on sales of 231 billion yen. The company was expected to post a similar loss this year, with sales falling to 168 billion yen.

AMEX

Thursday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7910.86	8020.90	7882.40	7922.72	+36.28
Trans	3133.53	3175.37	3132.88	3161.77	+27.55
Util	240.86	242.45	240.37	241.11	+0.74
Comp	2526.16	2557.07	2520.51	2535.59	+14.30

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	1111.47	1100.93	1102.08	1108.45
Transp.	698.53	694.07	695.71	701.40
Utilities	208.36	205.87	206.00	206.47
Finance	111.81	110.99	111.39	111.76
SP 500	950.29	941.99	943.00	947.42
SP 100	917.24	909.76	910.74	913.02

NYSE

	High	Low	Last	Chg.
Composite	500.09	493.21	495.41	+2.20
Industrials	630.45	621.41	624.22	+2.81
Transp.	464.87	459.47	462.41	+2.94
Utility	296.45	292.74	294.46	+1.72
Finance	471.82	466.01	467.57	+1.56

Nasdaq

	High	Low	Last	Chg.
Composite	1679.99	1667.71	1670.06	+3.59
Industrials	1358.67	1353.34	1354.01	+2.79
Banks	1862.19	1850.02	1859.02	+9.14
Insurance	1799.88	1785.65	1787.74	-12.13
Finance	2213.74	2190.16	2211.16	+17.91
Transp.	1078.74	1071.03	1076.94	+5.45

AMEX

High	Low	Last	Chg.
688.85	683.00	686.80	+1.80

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	104.26	104.26
10 Utilities	102.16	102.06
10 Industrials	106.35	106.45

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
AHome	86103	72¼	70½	70⅞	+⁵⁄₁₆
Compaq s	76763	74¾	73⅝	73¼	-½
AT&T s	72437	44⅝	43⅞	44⅜	+½
PhilMor s	68145	41⅛	40¾	40½	-⅜
GenElec s	67686	71⅝	69⅝	70¹⁵⁄₁₆	+⅜
ColHCA s	60833	28¾	27⅛	28⅝	+1⅝
MicrnT	51897	40⅝	38½	39	-⅛
EKodak	49344	58⅞	56⅝	57½	+1½
FstData s	47293	39⅛	37	38½	+2¼
TenetHlt	44445	28¾	27⅞	28½	+⅞
Boeing s	43870	54⅞	53	53⅛	-⅛
Exxon s	42055	67¼	64⅞	66	+1⅛
TelBrasl	41927	131⅜	127½	129⅞	+⅝
SecCG B n	41794	34½	34	34⅛	—
AMD	40860	33⅝	31½	32⅜	-⅞

Nasdaq

	Vol.	High	Low	Last	Chg.
Oracle s	136885	37⅞	36⅜	36⅞	+½
3Com	129848	48	45⅜	46⁵⁄₁₆	+⅞
Ascend	103162	36	34⅝	35⅝	+1⅛
SyQstTc	95273	3⅜	2⅞	3⅜	+½
Intel s	85620	97½	95	95	-[illegible]
Microsft s	73004	135½	131[illegible]	132[illegible]	-1
DellCpt s	71821	97⅜	94½	94⅝	-1⅝
EglHrd	52970	19½	18½	18[illegible]	-[illegible]
Komag	50292	21⅝	19⅜	21⅛	+3⅛
WorldCm	48984	37	35[illegible]	36[illegible]	+[illegible]
DSC	48718	29¼	27⅜	28[illegible]	+⅝
PetsMart	47246	11	10⅛	10½	+⅛
S3 Inc	46346	14	12[illegible]	13[illegible]	-⅛
USLD Cm	44716	19[illegible]	18⅛	19[illegible]	+1[illegible]
Biogen s	41572	32⅝	31	31¼	-1

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	50126	96[illegible]	94	95⅛	+⅝
Hasbro s	32002	27	26½	26⅞	+½
XCL Ltd	27961	⅛	[illegible]	⅛	—
NabCp	16658	10[illegible]	10⅜	10[illegible]	+[illegible]
HospWwde	15817	12⅝	11½	11⅞	+1⅛
DI Ind	11092	8⅛	7⅝	7⅞	-[illegible]
KeyEng	10542	32⅛	30⅜	31¼	-⅞
TubMex	9716	24[illegible]	22[illegible]	23⅛	-[illegible]
BemaGold	9673	3[illegible]	3[illegible]	3[illegible]	—
Harken	9557	6[illegible]	5[illegible]	6[illegible]	-⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1706	1460
Declined	1174	1390
Unchanged	538	557
Total issues	3418	3407
New Highs	388	430
New Lows	15	19

Nasdaq

	Noon	Prev.
Advanced	1877	2132
Declined	1511	2040
Unchanged	2033	1551
Total issues	5421	5723
New Highs	198	372
New Lows	35	46

AMEX

	Close	Prev.
Advanced	339	305
Declined	264	275
Unchanged	154	180
Total issues	757	760
New Highs	75	71
New Lows	11	13

Market Sales

	Today 4:00	Prev. cons.
NYSE	557.13	711.19
Amex	37.00	42.64
Nasdaq	646.54	770.02

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Capsure Holdings	x	.63	9-29	10-6
STOCK SPLIT				
Bk Commerce CA 2 for 1 split.				
MBIA Inc 2 for 1 split.				
NFD Research 3 for 2 split.				
INCREASED				
Fed One Bncp	Q	.155	9-30	10-21
Fst Colo Bncp	_	.12	9-29	10-20
MBIA Inc	Q	.39	9-29	10-15
New England Com	Q	.09	9-30	11-1
Thornburg Mtg	Q	.50	9-30	10-10
INITIAL				
Ipswich Svg Bk n	_	.03	10-9	10-23
REGULAR				
Advance FinBcp	Q	.08	9-30	10-15
Beauticontr	Q	.105	9-30	10-14
Bilmple Intl	A	.035	10-1	10-15
CPB Inc	Q	.24	9-30	10-17
Commerce	Q	.20	10-6	10-20
Continen	Q	.05	10-2	10-16
Cornerstone Prop	Q	.30	9-19	10-31
Craftmade Intl	Q	.02	9-30	10-15
Enerplus Resour g	M	.0325	10-1	10-15
FFVA Fncl	Q	.12	10-3	10-17
Fst Carnegie	Q	.075	9-30	10-15
GBC Bancorp	Q	.12	9-30	10-15
Gen Chemical	Q	.05	10-1	10-15
Gt Central Mines	b	.0647	9-25	10-21
Herbalife Intl	Q	.15	10-30	11-6
Intel Corp	Q	.03	11-1	12-1
MacMil	Q	.05	11-12	12-11
NAC Re Cp	Q	.075	10-1	10-15
Natl Banco Alaska	Q	.50	10-1	10-8
Natl Fuel Gas	Q	.435	9-30	10-15
PennFirst Bancorp	Q	.09	9-30	10-24
Perkins Family	Q	.325	9-30	11-14
Prime Bancorp	Q	.17	10-3	11-1
Reliance Bncp	Q	.16	10-3	10-17
St Joseph L&P	Q	.24	11-3	11-18
Sumitomo Bk CA	Q	.20	9-30	10-24
TCBY Enterpr	Q	.05	9-25	10-10
TIG Holdings	Q	.15	10-31	11-17
Westwood Fincl	Q	.05	9-30	10-17
Wiley, John A	Q	.1125	10-3	10-17
Wiley John B	Q	.10	10-3	10-17

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Sept. 18, 1997

Grains

CORN (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	OpInt
Sep 97	268	263	265	+1½	1,654
Dec 97	266¼	263¼	264½	+¾	188,818
Mar 98	274½	272	273	+½	57,544
May 98	280	277	278	+½	14,042
Jul 98	282¼	280¼	281¼	+½	24,453
Sep 98	277	274½	274¼	unch.	1,774
Dec 98	275	272	272½	unch.	15,489

Est. sales N.A. Wed's sales 36,830
Wed's open int 303,949, up 255

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton

	High	Low	Latest	Chge	OpInt
Sep 97	276.50	269.00	269.50	-5.20	2,398
Oct 97	231.70	224.60	224.90	-4.70	23,604
Dec 97	213.30	205.00	205.50	-5.10	44,223
Jan 98	207.50	201.00	201.30	-3.70	11,395
Mar 98	201.50	196.00	196.20	-3.00	11,241
May 98	201.00	195.50	195.80	-2.50	9,342

Est. sales N.A. Wed's sales 19,992
Wed's open int 108,753, up 278

SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb

	High	Low	Latest	Chge	OpInt
Sep 97	23.95	23.47	23.62	-0.18	318
Oct 97	24.02	23.51	23.69	-0.15	15,799
Dec 97	24.40	23.88	24.02	-0.20	47,539
Jan 98	24.52	24.08	24.20	-0.20	14,257
Mar 98	24.78	24.31	24.46	-0.19	8,430
May 98	24.95	24.43	24.62	-0.20	3,926

Est. sales N.A. Wed's sales 26,164
Wed's open int 95,685, up 1,978

SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	OpInt
Sep 97	795	764½	767½	-33½	1,322
Nov 97	653	634	635	-9	95,420
Jan 98	654	638	638½	-7¾	23,427
Mar 98	659	643½	643¾	-7½	9,518
May 98	662½	648½	648¾	-8	7,297

Est. sales N.A. Wed's sales 36,738
Wed's open int 148,592, up 1,609

WHEAT (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	OpInt
Sep 97	366	353	354	-7	297
Dec 97	377½	368	369	-4¾	61,008
Mar 98	390½	380	381½	-6¼	23,852
May 98	395½	388	389	-4½	4,473

Est. sales N.A. Wed's sales 13,552
Wed's open int 101,654, off 55

Livestock

CATTLE (CMER) 40,000 lbs - cents per lb.

	High	Low	Latest	Chge	OpInt
Oct 97	68.35	67.85	67.90	-0.45	28,180
Dec 97	69.30	68.87	69.02	-0.22	31,634
Feb 98	72.00	71.65	71.80	-0.22	15,671
Apr 98	74.77	74.37	74.62	-0.15	8,618
Jun 98	71.37	71.12	71.20	-0.22	6,401
Aug 98	71.05	70.80	70.80	-0.22	1,687

Est. sales 9,189 Wed's sales 13,186
Wed's open int 92,245 off 1,623

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Sep 97	80.52	80.22	80.27	-0.32	2,088
Oct 97	80.75	80.25	80.50	-0.40	7,585
Nov 97	81.57	81.10	81.37	-0.20	3,845
Jan 98	82.50	82.10	82.25	-0.25	3,098
Mar 98	82.15	81.60	81.95	-0.20	1,725
Apr 98	82.20	81.87	81.95	-0.30	568

Est. sales 2,230 Wed's sales 1,932
Wed's open int 19,610, off 128

HOGS-Lean (CMER) 40,000 lbs.- cents per lb

	High	Low	Latest	Chge	OpInt
Oct 97	71.50	70.85	71.15	-0.05	13,471
Dec 97	67.70	67.05	67.07	-0.15	10,256
Feb 98	65.90	65.55	65.57	-0.20	3,741
Apr 98	62.77	62.42	62.42	-0.12	1,647
Jun 98	67.57	67.10	67.45	+0.07	947

Est. sales 5,436 Wed's sales 6,998
Wed's open int 31,322, off 523

PORK BELLIES (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Feb 98	67.62	66.10	66.67	-0.07	4,521
Mar 98	67.30	66.00	66.50	-0.07	452
May 98	67.70	67.25	67.25	unch.	88

Est. sales 2,114 Wed's sales 1,174
Wed's open int 5,119, up 17

Food

COCOA (NCSE) 10 metric tons- $ per ton

	High	Low	Latest	Chge	OpInt
Dec 97	1685	1659	1678	+10	41,205
Mar 98	1719	1696	1714	+12	28,905
May 98	1735	1720	1735	+17	12,637
Jul 98	1756	1740	1756	+12	3,206
Sep 98	1774	1772	1774	+12	4,730
Dec 98	1791	1770	1791	+12	6,511

Est. sales 4,667 Wed's sales 8,719
Wed's open int 106,909, up 418

COFFEE C (NCSE) 37,500 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Sep 97	205.00	170.00	177.75	-16.25	168
Dec 97	173.50	166.50	169.65	-3.80	13,514
Mar 98	160.50	154.50	156.30	-4.20	5,181
May 98	154.00	148.50	150.00	-3.75	1,759
Jul 98	147.00	143.75	143.75	-3.25	1,507

Est. sales 8,977 Wed's sales 6,735
Wed's open int 22,817, up 8

SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Oct 97	11.32	11.22	11.22	-0.09	46,911
Mar 98	11.79	11.70	11.70	-0.10	88,661
May 98	11.85	11.77	11.78	-0.08	21,025
Jul 98	11.69	11.62	11.64	-0.04	15,264

Est. sales 27,157 Wed's sales 19,413
Wed's open int 186,458, off 5,459

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Nov 97	69.50	68.70	68.85	-0.20	18,575
Jan 98	72.40	71.80	71.85	-0.10	9,166
Mar 98	75.35	74.75	74.80	-0.10	5,880
May 98	77.90	77.60	77.60	-0.15	1,513

Est. sales N.A. Wed's sales 1,971
Wed's open int 36,175, up 105

Metals

GOLD (NCMX) 100 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	OpInt
Sep 97			320.90	+0.50	46
Oct 97	322.10	320.60	321.30	+0.50	8,122
Nov 97			321.80	+0.50	
Dec 97	323.70	322.10	322.70	+0.50	116,846
Feb 98	324.90	323.50	324.10	+0.60	15,439
Apr 98	326.60	325.50	325.80	+0.70	5,405
Jun 98			327.70	+0.70	8,696
Aug 98			329.80	+0.70	4,327
Oct 98			331.90	+0.70	350

Est. sales 14,000 Wed's sales 14,777
Wed's open int 201,821, off 3,699

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Sep 97	96.10	93.50	94.95	+1.40	2,494
Oct 97	96.10	94.00	95.30	+1.40	3,143
Nov 97	96.80	95.10	96.00	+1.35	1,768
Dec 97	97.60	94.50	96.50	+1.50	29,425
Jan 98	96.50	96.20	96.50	+1.40	940
Feb 98	97.00	96.50	96.50	+1.30	985
Mar 98	97.30	95.70	96.50	+1.20	4,435
Apr 98	97.00	96.45	96.45	+1.25	808
May 98	96.90	96.00	96.40	+1.25	2,192

Est. sales 10,000 Wed's sales 10,298
Wed's open int 53,505, up 370

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.

	High	Low	Latest	Chge	OpInt
Sep 97	466.00	460.00	464.40	+8.30	1,141
Oct 97			464.50	+8.30	78
Nov 97			467.90	+8.30	
Dec 97	472.00	460.50	468.50	+8.00	53,971
Jan 98			469.90	+8.00	22
Mar 98	478.00	471.00	474.60	+7.70	12,477
May 98	479.50	478.00	478.00	+7.50	3,238
Jul 98			481.50	+7.30	2,380

Est. sales 20,000 Wed's sales 17,568
Wed's open int 79,114, up 708

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	OpInt
Oct 97	424.50	422.00	423.40	+2.10	9,243
Jan 98	414.50	411.30	412.90	+1.60	3,469
Apr 98			405.90	+1.60	618
Jul 98			401.90	+1.60	3

Est. sales N.A. Wed's sales 747
Wed's open int 13,333, off 165

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1626½	1628½	1595½	1596½
Forward	1635.00	1637.00	1615.00	1615½
Copper Cathodes (High Grade)				
Spot	2112.00	2113.00	2035.00	2037.00
Forward	2134.00	2135.00	2066.00	2067.00
Lead				
Spot	621.00	622.00	612½	613½
Forward	631.00	632.00	623½	624½
Nickel				
Spot	6400.00	6405.00	6360.00	6370.00
Forward	6500.00	6505.00	6460.00	6470.00
Tin				
Spot	5580.00	5590.00	5435.00	5445.00
Forward	5630.00	5635.00	5490.00	5500.00
Zinc (Special High Grade)				
Spot	1655.00	1660.00	1615.00	1620.00
Forward	1429.00	1431.00	1402.00	1404.00

Financial

US T BILLS (CMER) $1 million- pts of 100 pct.

	High	Low	Close	Chge	OpInt
Dec 97	94.97	94.95	94.95	-0.01	4,795
Mar 98	94.96	94.96	94.96	-0.01	1,902
Jun 98			94.89	unch.	25

Est. sales 247 Wed's sales 505
Wed's open int 6,722, up 269

5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct

	High	Low	Close	Chge	OpInt
Sep 97	107-60	107-42	107-43	-06	7,332
Dec 97	107-40	107-24	107-27	-05	230,832

Est. sales N.A. Wed's sales 74,324
Wed's open int 238,164, off 2,572

10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	OpInt
Sep 97	110-26	110-14	110-15	-03	16,779
Dec 97	110-18	110-05	110-07	-02	359,827
Mar 98	110-05	109-28	109-28	-02	12,374

Est. sales N.A. Wed's sales 116,920
Wed's open int 388,901, off 3,798

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)

	High	Low	Close	Chge	OpInt
Sep 97	116-12	115-22	115-25	-02	35,404
Dec 97	116-02	115-10	115-15	-01	550,647
Mar 98	115-23	115-01	115-05	-02	36,520
Jun 98			114-26	-01	3,528

Est sales N.A. Wed's sales 554,533
Wed's open int 630,859, up 2,028

LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct

	High	Low	Close	Chge	OpInt
Sep 97	118-15	117-18	118-08	+0-21	5,619
Dec 97	118-02	117-01	117-25	+0-22	167,745
Mar 98	N.T.	N.T.	117-18	+0-22	

Est. sales: 119,557. Prev. sales: 157,533
Prev open int.: 173,364 off 3,401

GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct

	High	Low	Close	Chge	OpInt
Dec 97	102.85	102.38	102.74	+0.27	270,927
Mar 98	N.T.	N.T.	101.98	+0.27	

Est sales: 193,884 Prev. sales: 185,330
Prev open int: 272,263 off 1,864

10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Dec 97	99.90	99.52	99.82	+0.26	126,411
Mar 98	99.24	98.82	99.14	+0.28	928
Jun 98	98.52	99.52	98.84	+0.28	0

Est. sales: 128,107.
Open int.: 127,339 up 1,899.

ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Dec 97	111.50	110.55	111.39	+0.69	114,466
Mar 98	111.21	111.00	111.29	+0.69	673
Jun 98	N.T.	N.T.	111.29	+0.69	

Est. sales: 63,068. Prev. sales: 52,525
Prev. open int.: 115,139 up 1,301

LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.

	High	Low	Latest	Chge	OpInt
Oct 97	94.37	94.36	94.37	unch.	27,379
Nov 97	94.34	94.32	94.33	unch.	28,668
Dec 97	94.17	94.17	94.17	-0.01	6,961

Est. sales 3,610 Wed's sales 8,249
Wed's open int 66,817, off 8,576

EURODOLLARS (CMER) $1 million-pts of 100 pct.

	High	Low	Latest	Chge	OpInt
Oct 97	94.26	94.25	94.26	unch.	24,528
Dec 97	94.20	94.18	94.18	-0.01	589,542
Mar 98	94.15	94.12	94.12	-0.01	407,123
Jun 98	94.07	94.03	94.04	-0.01	299,753
Sep 98	93.99	93.95	93.96	-0.01	232,133
Dec 98	93.87	93.83	93.85	unch.	203,049
Mar 99	93.85	93.81	93.83	unch.	140,351
Jun 99	93.81	93.77	93.78	-0.01	111,346
Sep 99	93.77	93.74	93.75	unch.	93,422
Dec 99	93.71	93.68	93.68	-0.01	78,885
Mar 00	93.71	93.68	93.68	-0.01	68,353
Jun 00	93.68	93.65	93.65	-0.01	56,228

Est. sales 370,784 Wed's sales 531,638
Wed's open int 2,604,908, off 347,070

BRITISH POUND (CMER) 62,500 pounds, $ per pound

	High	Low	Latest	Chge	OpInt
Dec 97	1.6112	1.5902	1.6038	+0.0082	30,043
Mar 98	1.6032	1.5940	1.5978	+0.0080	231
Jun 98			1.5920	+0.0078	27

Est. sales 9,365 Wed's sales 4,518
Wed's open int 39,391, off 13,250

CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr

	High	Low	Latest	Chge	OpInt
Dec 97	.7243	.7218	.7226	-0.0011	45,460
Mar 98	.7273	.7250	.7260	-0.0011	1,483
Jun 98			.7284	-0.0011	376

Est. sales 5,095 Wed's sales 7,700
Wed's open int 47,643, off 15,283

GERMAN MARK (CMER) 125,000 marks, $ per mark

	High	Low	Latest	Chge	OpInt
Dec 97	.5707	.5637	.5652	-0.0024	56,272
Mar 98	.5740	.5672	.5684	-0.0024	2,209
Jun 98			.5714	-0.0024	2,477

Est. sales 23,336 Wed's sales 16,946
Wed's open int 61,058, off 43,526

JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen

	High	Low	Latest	Chge	OpInt
Dec 97	.8398	.8275	.8312	-0.0063	69,552
Mar 98	.8470	.8410	.8423	-0.0064	798
Jun 98			.8535	-0.0065	165

Est. sales 25,400 Wed's sales 15,654
Wed's open int 70,514, off 42,582

SWISS FRANC (CMER) 125,000 francs, $ per franc

	High	Low	Latest	Chge	OpInt
Dec 97	.6965	.6876	.6896	-0.0016	37,803
Mar 98	.7005	.6944	.6966	-0.0016	1,194
Jun 98			.7034	-0.0016	123

Est. sales 1,402 Wed's sales 15,631
Wed's open int 39,225, off 20,099

MEXICAN PESO (CMER) 500,000 pesos, $ per peso

	High	Low	Latest	Chge	OpInt
Dec 97	.12450	.12425	.12437	+.00071	24,046
Mar 98	.12000	.11980	.11985	+.00085	6,803
Jun 98	.11610	.11600	.11600	+.00106	1,661

Est. sales 2,728 Wed's sales 4,727
Wed's open int 32,351, off 8,677

3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Dec 97	92.63	92.58	92.60	-0.05	142,112
Mar 98	92.71	92.64	92.65	-0.06	111,427
Jun 98	92.82	92.72	92.75	-0.05	88,219
Sep 98	92.95	92.84	92.87	-0.05	63,573
Dec 98	93.05	92.95	93.00	-0.01	58,846
Mar 99	93.16	93.05	93.11	+0.01	53,379
Jun 99	93.21	93.10	93.18	+0.04	37,561

Est. sales: 158,946. Prev. sales: 258,612
Prev. open int: 721,062 up 18,972

3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Oct 97	96.61	96.59	96.60	Unch.	4,363
Nov 97	N.T.	N.T.	96.54	Unch	350
Dec 97	96.46	96.43	96.44	Unch.	294,617
Mar 98	96.26	96.22	96.24	Unch.	286,703
Jun 98	96.03	95.98	96.02	+0.01	242,767
Sep 98	95.85	95.81	95.83	+0.01	173,294
Dec 98	95.66	95.63	95.65	+0.01	157,277
Mar 99	95.51	95.47	95.50	+0.02	144,627
Jun 99	95.35	95.31	95.34	+0.02	71,361
Sep 99	95.21	95.17	95.20	+0.02	58,568

Est. sales: 221,210. Prev. sales: 253,966
Prev. open int: 1,547,721 up 4,914

3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Dec 97	96.44	96.41	96.43	+0.01	38,453
Mar 98	96.23	96.20	96.22	Unch.	30,110
Jun 98	96.03	96.00	96.02	Unch.	25,031
Sep 98	95.86	95.82	95.85	+0.01	23,522
Dec 98	95.71	95.68	95.71	-0.02	26,832

Est. sales 39,678
Open int.: 201,882 off 3,381.

3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Dec 97	93.89	93.78	93.88	-0.06	94,005
Mar 98	94.57	94.45	94.56	-0.07	77,191
Jun 98	94.97	94.85	94.95	+0.06	71,234
Sep 98	95.10	94.97	95.08	+0.08	49,363
Dec 98	95.11	94.95	95.10	+0.12	35,510
Mar 99	95.01	94.86	95.00	+0.11	19,444

Est. sales: 98,691. Prev. sales: 107,273
Prev. open int.: 361,868 up 10,427

Industrials

COTTON 2 (NCTN) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Oct 97	73.75	73.30	73.43	unch.	3,720
Dec 97	74.00	73.45	73.59	+0.05	48,592
Mar 98	75.09	74.65	74.71	+0.06	14,274
May 98	75.55	75.25	75.28	+0.05	6,206
Jul 98	76.02	75.75	75.85	+0.10	5,720

Est. sales N.A. Wed's sales 8,772
Wed's open int 86,819, up 475

HEATING OIL (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	OpInt
Oct 97	54.20	53.15	53.44	+0.09	34,581
Nov 97	55.00	54.20	54.49	+0.06	32,894
Dec 97	56.00	55.25	55.49	+0.01	24,443
Jan 98	56.70	56.19	56.19	-0.04	21,986
Feb 98	57.00	56.39	56.39	-0.04	12,257
Mar 98	56.30	55.84	55.84	-0.14	8,742
Apr 98	55.10	54.64	54.64	-0.14	4,434

Est. sales N.A. Wed's sales 33,665
Wed's open int 151,998, off 2,245

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.

	High	Low	Latest	Chge	OpInt
Oct 97	19.60	19.32	19.38	-0.04	62,029
Nov 97	19.73	19.50	19.53	-0.03	82,196
Dec 97	19.77	19.57	19.60	-0.01	58,841
Jan 98	19.80	19.60	19.64	-0.01	36,337
Feb 98	19.80	19.63	19.65	-0.01	16,975
Mar 98	19.75	19.66	19.66	-0.01	10,334

Est. sales N.A. Wed's sales 98,476
Wed's open int 416,531, up 672

NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu

	High	Low	Latest	Chge	OpInt
Oct 97	2.900	2.666	2.887	+0.204	50,176
Nov 97	3.010	2.795	2.989	+0.184	39,635
Dec 97	3.063	2.895	3.063	+0.150	26,004
Jan 98	3.060	2.891	3.045	+0.135	24,480
Feb 98	2.770	2.650	2.770	+0.110	16,632
Mar 98	2.460	2.405	2.445	+0.045	11,144

Est. sales N.A. Wed's sales 38,859
Wed's open int 243,043, up 2,103

UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	OpInt
Oct 97	58.75	57.00	57.25	-1.20	29,973
Nov 97	56.85	55.60	55.81	-0.73	27,683
Dec 97	56.20	55.20	55.41	-0.53	14,887
Jan 98	56.05	55.35	55.51	-0.43	13,783
Feb 98	56.60	55.96	55.96	-0.42	4,574
Mar 98			56.66	-0.37	5,622
Apr 98	59.75	59.49	59.49	-0.29	3,933
May 98	59.50	59.39	59.39	-0.29	1,155

Est. sales N.A. Wed's sales 25,604
Wed's open int 105,040, off 194

GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons

	High	Low	Latest	Chge	OpInt
Oct 97	167.50	164.50	166.75	+0.50	26,014
Nov 97	169.00	166.25	168.50	+0.75	14,571
Dec 97	170.50	168.50	170.25	+0.50	17,353
Jan 98	172.00	170.25	171.75	+0.25	12,467
Feb 98	172.50	171.50	172.25	Unch.	6,876
Mar 98	171.50	171.50	171.25	Unch.	4,820

Est. sales: 12,000. Prev. sales: 10,458
Prev. open int.: 93,315 up 971

BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels

	High	Low	Latest	Chge	OpInt
Oct 97	18.60	18.33	18.41	Unch.	73,929
Nov97	18.69	18.47	18.52	-0.02	23,942
Dec97	18.72	18.52	18.60	+0.01	20,310
Jan98	18.72	18.54	18.60	+0.01	7,561
Feb98	18.70	18.57	18.55	+0.01	4,050
Mar 98	18.65	18.65	18.51	+0.01	2,243

Est. sales: 26,000 Prev. sales 25,992
Prev. open int. 141,854 off 1,1351

Stock Indexes

SP COMP INDEX (CMER) 500 x index

	High	Low	Latest	Chge	OpInt
Sep 97	960.50	945.50	948.50	+2.70	51,469
Dec 97	970.50	954.60	958.50	+2.60	176,516
Mar 98	980.25	966.50	973.50	+7.20	2,865

Est. sales N.A. Wed's sales 101,140
Wed's open int 231,704, off 36

FTSE 100 (LIFFE) £25 per index point

	High	Low	Latest	Chge	OpInt
Sep 97	5100.0	5002.0	5068.0	+33.0	24,538
Dec 97	5164.0	5066.0	5132.0	+30.5	57,140
Mar 98	5185.0	5160.0	5175.0	+33.0	1,802

Est. sales: 30,975. Prev. sales: 37,570
Prev. open int.: 83,480 off 1,162

CAC 40 (MATIF) FF200 per index point

	High	Low	Latest	Chge	OpInt
Sep 97	2997.0	2937.0	2986.0	+38.0	37,160
Oct 97	2997.5	2956.0	2992.5	+38.0	9,427
Nov 97	2999.5	2999.5	3000.0	+38.0	3,782
Dec 97	3010.0	2968.0	3008.5	+38.5	6,312

Est. sales: 15,546.
Open int.: 78,822 up 522.

Commodity Indexes

	Close	Previous
Moody's	1,561.00	1,558.30
Reuters	1,913.60	1,904.70
D.J. Futures	147.03	147.53
CRB	240.83	240.61

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

EUROPE

Alcatel Posts a Profit After Restructuring

Operating Earnings Soared in Half

Compiled by Our Staff From Dispatches

PARIS — Alcatel Alsthom SA, Europe's biggest telecommunications-equipment maker, said Thursday it had returned to profit in the first half, driven by higher margins, stronger demand at its mobile-communications, transmission and cable divisions, and one-time gains.

Profit was 1.5 billion French francs ($252 million), in contrast to a loss of 374 million francs a year earlier. One-time gains from asset sales totaled 1.3 billion francs, up from 413 million francs in the first half of 1996, while restructuring costs tripled to 759 million francs.

The company's finance director, Jean-Pierre Halbron, said he expected an operating margin of more than 4 percent of sales for all of 1997, compared with 1.8 percent in 1996.

Operating profit rose more than fivefold, to 2.7 billion francs from 500 million francs, with the strongest contribution coming from Alcatel's cables and components.

The company is starting to benefit from a reorganization begun by its chairman, Serge Tchuruk, two years ago. Caught in a price war in traditional markets such as switching equipment, Alcatel took record one-time charges of 23.9 billion francs in 1995 to pay for job cuts and a shift to booming high technologies such as fiber-optic cable and mobile telephones.

"I'm buying Tchuruk, he's one of the best bosses in France," said Marc Renaud, a fund manager at CCA Actions. "Today's figures show the recovery is well under way."

Mr. Tchuruk announced that Alcatel Alsthom would not seek to gain full operational control of Thomson CSF, the embattled aerospace and electronics company, but would rather seek to "benefit from synergies" if it went ahead with plans to invest in the group.

Speaking of Thomson, Mr. Tchuruk said, "Having control or not having control is not really the main point."

Alcatel Alsthom and Lagardere SCA have both reiterated their interest in Thomson CSF since the Socialist-led government of Prime Minister Lionel Jospin abandoned the previous French government's plans to fully privatize the company.

Alcatel Alsthom's shares closed at 839 francs, up 18.

(Bloomberg, AFP, AFX)

■ Rhone-Poulenc Charge

Rhone-Poulenc SA, France's biggest drug and chemical company, said it would take a charge of 9.5 billion francs against 1997 earnings mostly to spin off its chemicals business, Bloomberg News reported.

The company acknowledged that the charge would produce a net loss for the year. In 1996, Rhone-Poulenc's profit rose 25 percent, to 2.74 billion francs.

Credit Lyonnais Leaps to Profit

Compiled by Our Staff From Dispatches

PARIS — Credit Lyonnais SA, the French bank that nearly collapsed because of lending excesses, said Thursday its first-half profit rose nearly ninefold on cost-cutting and better risk management in an improved economic environment.

Net profit for the six months to June 30 was 601 million francs ($100.9 million), compared with 67 million francs a year earlier. The state-controlled bank, helped by repeated government bailouts, said banking income rose to 23.36 billion francs compared with 21.45 billion francs in the year-earlier period.

The net earnings figure excludes the cost to Credit Lyonnais of a 123 billion-franc 20-year loan to a government agency set up two years ago to buy and then sell the bank's dubious assets, absorbing the tens of billions of francs in losses.

Chairman Jean Peyrelevade, who steered the bank's turnaround from virtual bankruptcy, said expected further improvement hinged above all on the bank's ability to cut costs and master risks.

(Reuters, Bloomberg)

German Tourism Units Merge

Compiled by Our Staff From Dispatches

FRANKFURT — Consolidation in Germany's tourism industry took a leap forward Thursday when Lufthansa AG, Germany's flagship airline, and Karstadt AG, a retailer, said they planned to merge their tourism units.

The 50-50 joint venture, C&N Condor Neckermann Touristik AG, will link Lufthansa's Condor charter-flight unit with Karstadt's NUR Touristik GmbH beginning Jan. 1, 1998. The venture is expected to have sales of 7 billion Deutsche marks ($3.95 billion), the companies said.

The linkup comes as German travel businesses scramble for ways to preserve their share of the 200 billion DM industry in the face of growing price competition. German consumers have become more price conscious and independent tour agencies are slashing prices to defend their market share against package-tour chains.

"This is a necessary strategy that's been forced by market changes," said Thomas Hofmann, analyst at Commerzbank AG. "The industry doesn't have the level of growth it had a few years ago."

Hapag-Lloyd AG, a travel and shipping company in which Preussag bought a controlling stake on Sept. 3, said earlier this week it planned to take control of TUI, Europe's largest travel company, and would begin talks soon with Westdeutsche Landesbank Girozentrale, which owns 30 percent of TUI, and Schickedanz Group, which has a 20 percent stake. Hapag-Lloyd already owns a 30 percent stake.

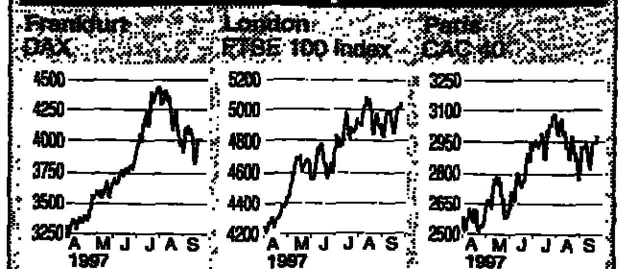
Both deals are awaiting approval from the German cartel watchdog, but the Lufthansa-Karstadt merger and Preussag AG's purchase of Hapag-Lloyd could have implications for the charter-flight market and tour operators.

NUR is Germany's second-largest tour operator, while TUI is Europe's largest tour operator and leads the German market.

Condor and NUR will initially operate independently as part of the new company, said Walter Deuss, Karstadt's chief executive. The parent companies will keep 10 percent stakes in their units, while the remaining 90 percent will belong to the joint venture.

The two companies will benefit from cost savings in booking and reservations systems, Mr. Hofmann said. *(Reuters, Bloomberg)*

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	AEX	902.77	898.11	+0.52
Brussels	BEL-20	2,388.88	2,379.84	+0.38
Frankfurt	DAX	4,000.48	4,010.48	-0.25
Copenhagen	Stock Market	612.78	610.29	+0.41
Helsinki	HEX General	3,467.72	3,424.86	+1.25
Oslo	OBX	698.08	694.70	+0.49
London	FTSE 100	5,046.20	5,013.10	+0.66
Madrid	Stock Exchange	608.05	601.46	+1.10
Milan	MIBTEL	15075	14881	+1.30
Paris	CAC 40	2,978.37	2,944.08	+1.17
Stockholm	SX 16	3,434.27	3,391.26	+1.27
Vienna	ATX	1,377.34	1,368.32	+0.66
Zurich	SPI	3,598.82	3,555.64	+1.21

Source: Telekurs — International Herald Tribune

Nestle Surpasses Analysts' Dreams

Compiled by Our Staff From Dispatches

VEVEY, Switzerland — Nestle SA, the world's biggest foodmaker, surpassed analysts' expectations by reporting a 40.3 percent increase in profit for the first half, pushed by cost cuts and a weakening Swiss franc.

Nestle shares rose 90 francs, to 1,950 francs, after the company said net rose to 1.89 billion Swiss francs ($1.28 billion) from 1.37 billion francs.

The market had widely expected a rise of between 15 percent and 22 percent.

Nestle's earnings also outpaced those of its rivals. Unilever, the Anglo-Dutch maker of consumer products, said last month that first-half net rose 30 percent. Danone, a French foodmaker, said first-half net rose 7.1 percent.

"Both sales and results clearly benefited from the appreciation of most currencies against the franc," Nestle said. "The significant improvement is also a consequence of efforts to improve competitiveness."

Nestle's operating profit rose to 3.10 billion francs from 2.35 billion francs a year earlier, while the operating margin rose to 9.3 percent from 8.6 percent.

"Higher margins at Nestle's coffee and mineral-water businesses should have helped both net and operating profit to grow faster than sales," said James Amoroso, an analyst at Bank Julius Baer & Co. AG, before the report.

Nestle said in July that first-half sales rose 18 percent, to 33.46 billion. Nestle now expects full-year sales to rise about 15 percent from last year's 60.5 billion francs, with profit rising "at least" in line with revenue. Last year, Nestle posted full-year net income of 3.4 billion francs, a record. *(Bloomberg, Reuters)*

Deutsche Telekom Net Disappoints

Compiled by Our Staff From Dispatches

BONN — Deutsche Telekom AG said Thursday its first-half net income rose less than expected, to 1.8 billion Deutsche marks ($1 billion), as the cost of expanding its digital-phone network offset higher sales from mobile-phone services.

Shares in the German phone company dropped 3.6 percent, or 1.23 DM, to close at 33.10 after it said net income before minority interests had surged from 200 million DM a year earlier, when Telekom paid 1.75 billion DM in costs related to its November initial share sale.

Pretax profit before extraordinary items rose 33 percent, to 3.6 billion DM from 2.7 billion DM, while sales rose 7.3 percent, to 32.9 billion DM from 30.64 billion DM. Telekom said it expected a pick-up in both sales and earnings in the second half.

The figures painted a mixed picture of Telekom's chance of fending off competitors once it loses the last of its monopoly next year in Europe's largest telecommunications market. Though sales growth is strong, the rising cost of speed-phone lines, real-estate depreciation charges and labor have restrained profit.

The stock has plunged nearly 9 percent since the government said Friday that Telekom's rivals would pay less than half as much as Telekom wanted to charge for access to the new network.

(Bloomberg, AFX)

Very briefly:

- **Istituto per la Ricostruzione Industriale SpA**, the Italian state holding company, will inject an additional 840 billion lire ($485.7 million) into **Alitalia SpA** on top of the 1 trillion lire injected last year.
- **Aerospatiale's** first-half net profit rose 123 percent, to 608 million French francs ($102.1 million), as one-time gains, most of them related to sales of shareholdings by the state aerospace concern, added 168 million francs. Sales rose 12 percent, to 25.83 billion francs.
- **Assurances Generales de France**, the country's third-largest insurer, said first-half net profit rose 43 percent, to 1.03 billion francs, as income from insurance increased and its banking units returned to profit.
- **Stora AB** unveiled a $1.5 billion deal to become part owner in a Brazilian pulp project with **Odebrecht SA.**
- **Royal PTT Nederland NV** began operating the first mobile-telephone network in Ukraine, in a joint venture with **Ukrainian Mobile Communications.**
- **African** telecommunications ministers approved the $1.3 billion Africa One telecommunications project, which seeks to encircle the continent with 39,000 kilometers (23,400 miles) of undersea fiber optic cable, linking African countries to one another and the rest of the world. *Reuters, Bloomberg, AFP*

New Air France Chief Is Named

Reuters

PARIS — Jean-Cyril Spinetta, former chairman of Air Inter, is the government's choice to be the new chairman of the state-owned airline Air France, replacing Christian Blanc.

The government said Thursday it would propose Mr. Spinetta to the Air France board, which is scheduled to meet early next week. Mr. Blanc said he was quitting after the government refused to give up control of the carrier.

WORLD STOCK MARKETS

Thursday, Sept. 18

Prices in local currencies.
Telekurs

Amsterdam — AEX index: 902.77 Previous: 898.11

	High	Low	Close	Prev.
ABN-AMRO	41.40	40.50	41.40	40.80
Aegon	151.90	150	151.80	151
Ahold	55	53	54.60	53.30
Akzo Nobel	330	325.50	330	326.80
Baan Co.	130.10	122.60	126.40	122.60
Bols Wessanen cva	36.10	34.30	35.10	34.30
CSM cva	96.90	94.70	96.70	94.90
Dordtsche Pet	110.20	107.30	109.90	108
DSM	189.70	187.70	189.70	188.80
Elsevier	31.90	31.30	31.70	31.80
Fortis Amev	82.80	81.10	82.30	82
Getronics	65	62	65	61.50
G-Brocades	55.10	53.50	54.70	53.50
Hagemeyer	103.40	100.80	103.40	100.50
Heineken	346	342.60	344.50	348
Hoogovens cva	123.20	119.50	122.20	122.10
Hunter Douglas	86	85	86	85.60
ING Group	92.60	91.20	92.60	91.80
KLM	71.20	68.60	69.50	70.70
KNP BT	52.50	50.80	52.50	51.70
KPN	77.20	76.10	77.20	76.50
Nedlloyd Gp	64.50	60.40	63.90	60.70
Nutricia	60.40	58.60	60.30	60
Oce Grinten	254	243.50	254.50	243
Philips Elec	151.60	149	150.10	151.40
Polygram	115.10	114.10	114.70	114.50
Randstad Hdg	83.50	80.80	82	82.70
Robeco	191.30	190.50	191	190.50
Rodamco	62.70	62.20	62.60	62.20
Rolinco	190.30	189.10	190.30	190
Rorento	118	117.60	118	118
Royal Dutch	109.30	106.50	108.30	108.70
Unilever cva	425.50	418.20	423.90	421.50
Vendex Intl	115	113.80	114.50	114.40
VNU	44.40	43.90	44	44.50
Wolters Kl cva	242.50	240.50	240.50	241.50

Bangkok — SET index: 521.45 Previous: 517.48

	High	Low	Close	Prev.
Adv Info Svc	222	214	220	214
Bangkok Bk F	164	158	162	169
Krung Thai Bk	25.75	24.75	25	25
PTT Explor	382	346	370	372
Siam Cement F	574	570	570	570
Siam Com Bk F	108	105	105	102
Telecomasia	29.75	28.75	28.75	28.50
Thai Airways	46	42.50	43.50	44.75
Thai Farm Bk F	106	101	105	102
Utd Comm	103	98	103	100

Bombay — Sensex 30 index: 3884.77 Previous: 3928.23

	High	Low	Close	Prev.
Bajaj Auto	540.50	530	538.25	548.25
Hindust Lever	1377	1325.25	1335	1389.75
Hindust Petim	470	460	468.25	469.50
Ind Dev Bk	104	101	102.75	104.25
ITC	577	560.50	576.50	567
Mahanagar Tel	262	253	261	256.50
Reliance Ind	349.25	344.25	348.75	349.50
State Bk India	282.25	275.50	279.25	283
Steel Authority	16.25	15.75	15.75	16.25
Tata Eng Loco	341.50	329	337.25	344.25

Brussels — BEL-20 index: 2388.88 Previous: 2379.84

	High	Low	Close	Prev.
Almanij	1610	1595	1605	1600
Barco Ind	7550	7400	7480	7500
BBL	9650	9550	9600	9650
CBR	3295	3175	3295	3280
Colruyt	17875	17525	17800	17675
Delhaize Lion	1790	1715	1790	1735
Electrabel	7640	7450	7590	7480
Electrafina	3400	3380	3390	3400
Fortis AG	7180	7090	7090	7110
Gevaert	3165	3140	3140	3165
GBL	5860	5700	5720	5810
Gen Banque	14475	14275	14425	14400
Kredietbank	14450	14100	14375	14275
Petrofina	14075	13575	13925	13825
Powerfin	4915	4895	4915	4920
Royale Belge	9570	9470	9470	9540
Soc Gen Belg	3370	3205	3280	3250
Solvay	2175	2130	2155	2145
Tractebel	14825	14725	14825	14775
UCB	123900	122500	123900	123000

Copenhagen — Stock index: 612.78 Previous: 610.29

	High	Low	Close	Prev.
BG Bank	374	369	372	372
Carlsberg B	368	354	365	356
Codan Fors	N.T.	N.T.	N.T.	913
Danisco	363	355	361	357
Den Danske Bk	682.68	671	680	675
D/S Svendborg B	419000	413000	413000	413000
D/S 1912 B	292000	285000	285000	289400
FLS Ind B	196	191	195.50	192
Kob Lufthavne	770	762	770	760
Novo Nordisk B	690	660	688	659
Sophus Ber B	1026.03	1004	1025	996
Tele Danmk B	354	350	354	352
Tryg Baltica	385	380	380	385
Unidanmark A	413	409	412	408

Frankfurt — DAX: 4000.48 Previous: 4010.48

	High	Low	Close	Prev.
AMB B	1555	1555	1555	1555
Adidas	232.50	230.80	232.50	231.90
Allianz Hdg	416.50	405	415.50	412.50
Altana	141.50	140.80	141.50	139.50
Bk Berlin	43.30	43	43.30	43.05
BASF	62.05	61.30	62	61.90
Bayer Hypo Bk	70.05	69.70	69.78	70.70
Bay Vereinsbank	94.50	93	94	94.80
Bayer	68	66.65	68	67.50
Beiersdorf	76.80	75	76	76
Bewag	38.98	38.55	38.55	38.90
BMW	1365	1340	1350	1391
CKAG Colonia	157	151.50	152	151.80
Commerzbank	61	60.30	60.95	60.40
Daimler Benz	132.50	131.70	133	132.70
Degussa	98.40	95.50	97	97
Deutsche Bank	109.55	108.55	109.30	109.95
Deut Telekom	34.35	32.80	32.90	34.99
Dresdner Bank	77.90	77	77.90	78.15
Fresenius	312	310	312	305
Fresenius Med	130.50	129	129.80	131.40
Fried. Krupp	363.50	357.20	357.20	363
Gehe	103	99.80	99.80	98.90
Heidelbg Zmt	141	140	142	141
Henkel pfd	105	103	105	104.40
HEW	448	445	446	445
Hochtief	80.90	79	80.90	79
Hoechst	74.20	72.60	73.90	73.45
Karstadt	650	638	650	643
Lahmeyer	92.20	89.50	90.90	93
Linde	1265	1240	1265	1258
Lufthansa R	35.60	34.80	35.20	35.40
MAN	550	542	547	535.50
Mannesmann	886	847	879	864.50
Metallgesellschaft	39.50	39.25	39.30	39.60
Metro	79.50	78.70	79	80.40
Munch Rueck R	595	571	594	597.50
Preussag	499	489	499	486
RWE	84.80	83.50	84.40	85.30
SAP pfd	432.20	425	432.70	430.30
Schering	180.50	177.60	177.60	181.20
SGL Carbon	248	244	247	241
Siemens	116.60	115.40	116.20	116.85
Springer (Axel)	1500	1500	1500	1500
Suedzucker	875	865	875	856
Thyssen	401.50	400.80	401	402.50
Veba	98.80	97	98.48	98.20
VEW	562	562	562	565
Viag	777	769	776	779.50
Volkswagen	1174	1153	1174	1171.50

Helsinki — HEX General index: 3467.72 Previous: 3424.86

	High	Low	Close	Prev.
Enso A	50	49.30	49.90	48.50
Huhtamaki I	200	193	200	197
Kemira	49	47	48.50	46.50
Kesko	71.20	70	71.20	70
Merita A	23.20	22.60	23.20	22.50
Metra B	157	157	157	156
Metso-Serla B	50	48.10	48.70	47.60
Neste	140	139	139.50	138
Nokia A	444	438	443.70	439.90
Orion-Yhtymae	176	174	175	173.50
Outokumpu A	91	89	89	91
UPM-Kymmene	140.80	135	140.50	135.60
Valmet	84	81	84	80.70

Hong Kong — Hang Seng: 14419.45 Previous: 14411.19

	High	Low	Close	Prev.
Amoy Props	8.10	7.85	8.10	7.90
Bk East Asia	27.90	27.05	27.45	27.60
Cathay Pacific	13.20	12.40	13.10	12.60
Cheung Kong	86	81	83.75	83.75
CK Infrastruct	23.50	22	23	23.20
China Light	42	40.60	41.50	41.50
Citic Pacific	45	43.60	45	45
Dao Heng Bk	36.20	35.70	36	35.60
First Pacific	8	7.80	8	7.85
Hang Lung Dev	14.60	14.15	14.60	14.15
Hang Seng Bk	92.50	88.25	90.75	92.25
Henderson Inv	8.75	8.45	8.75	8.65
Henderson Ld	65	63.25	64.50	64.50
HK China Gas	15.65	15.05	15.40	15.40
HK Electric	28.80	28	28.60	28.45
HK Telecomm	17.30	16.40	16.90	16.95
Hopewell Hldgs	4.80	4.58	4.63	4.75
HSBC Hldgs	232	223	228	226
Hutchison Wh	72	68	70.50	71
Hysan Dev	23.20	22.75	23.20	23.10
Johnson El Hdg	20.45	20.25	20.25	20.40
Kerry Props	18.70	18.40	18.40	18.60
New World Dev	47.60	45.20	46.80	47.40
Oriental Press	2.70	2.60	2.60	2.63
Pearl Oriental	1.27	1.21	1.24	1.24
SHK Props	92	89	92	91.25
Shun Tak Hdgs	5.20	5	5.15	5.10
Sino Land Co.	7.30	7.05	7.10	7.20
Sth China Post	6.80	6.60	6.80	6.50
Swire Pac A	65	61.50	62	62.50
Wharf Hdgs	27.45	26.65	27.40	27.35
Wheelock	16.50	16	16.05	16.35

Jakarta — Composite index: 524.27 Previous: 526.74

	High	Low	Close	Prev.
Astra Intl	3300	3150	3300	3200
Bk Intl Indon	900	875	900	900
Bk Negara	950	925	950	925
Gudang Garm	8675	8500	8625	8500
Indocement	2250	2175	2200	2300
Indofood	3625	3575	3600	3650
Indosat	7675	7500	7625	7600
Sampoerna HM	6800	6600	6800	6825
Semen Gresik	3100	2925	3025	3000
Telekomunikasi	3250	3150	3225	3275

Johannesburg — All Market: 7191.75 Previous: 7191.82

	High	Low	Close	Prev.
Amalgamat Bks	31.60	31.25	31.40	31.40
AngloAm Coal	278	276.25	278	276
AngloAm Corp	240.50	239.75	240.50	242
AngloAm Gold	241.25	240	240.50	240.50
AngloAm Ind	185.50	184	185	185.25
AVMIN	12	11.85	11.85	12
Barlow	55	53.75	54.75	54
C.G. Smith	23.20	23.10	23.20	23.20
De Beers	138.75	136	137.50	139
Driefontein	30.50	30.20	30.35	30.50
Fst Natl Bk	38.25	37.70	38	37.80
Gencor	10.50	10.35	10.35	10.50
GFSA	96	96	96	96
Imperial Hdgs	64.50	63.75	64.25	64
Ingwe Coal	22.25	22.25	22.25	22.25
Iscor	3.18	3.15	3.16	3.16
Johnnies Indl	62.75	62	62	62
Liberty Hdgs	373	373	373	378
Liberty Life	141.50	139.75	140.50	141.25
LibLife Strat	16.50	16.10	16.10	16.30
Minorco	98.75	98.50	98.75	98.50
Nampak	18	17.75	17.75	18
Nedcor	103	101	102.50	101.50
Rembrandt Gp	42.50	41.65	[illegible]	41.85
Richemont	64	62	63.25	62.50
Rust Platinum	81	80.25	80.50	81
SA Breweries	134.50	133.50	134	134.25
Samancor	36.50	35.60	35.60	37
Sasol	63.50	62.50	63	62.25
SBIC	204.50	204	204	204
Tiger Oats	71	70.50	70.50	71

Kuala Lumpur — Composite: 786.68 Previous: 811.12

	High	Low	Close	Prev.
AMMB Hdgs	9.05	8.50	8.60	9.05
Genting	10.20	9.70	9.80	10.20
Mal Banking	17.30	16.80	16.80	17.30
Mal Intl Ship F	5.10	5	5.05	5.10
Petronas Gas	9.05	8.95	9	9.30
Proton	9.20	8.90	8.95	9
Public Bk	2.79	2.73	2.73	2.80
Renong	3.30	3.16	3.20	3.30
Resorts World	7.15	6.80	7.10	7.15
Rothmans PM	26	25.25	25.75	25.75
Sime Darby	6.60	6.05	6.10	6.65
Telekom Mal	9.25	9.05	9.05	9.30
Tenaga	8.30	8.05	8.10	8.30
Utd Engineers	12.30	11.80	11.90	12.30
YTL	4.50	4.30	4.32	4.50

London — FT-SE 100: 5046.20 Previous: 5013.10

	High	Low	Close	Prev.
Abbey Natl	9.12	8.84	9.07	8.84
Allied Domecq	4.93	4.83	4.89	4.84
Anglian Water	8.20	8.03	8.19	8.07
Argos	6.80	6.68	6.76	6.65
Asda Group	1.63	1.50	1.54	1.52
Assoc Br Foods	5.65	5.40	5.63	5.39
BAA	5.77	5.65	5.68	5.67
Barclays	15.25	14.85	15.19	14.92
Bass	8.58	8.20	8.52	8.45
BAT Ind	5.62	5.17	5.30	5.19
Bank Scotland	4.58	4.49	4.56	4.54
Blue Circle	3.92	3.79	3.85	3.92
BOC Group	11.08	10.75	11.04	10.85
Boots	8.41	8.21	8.39	8.24
BPB Ind	3.60	3.55	3.57	3.56
Brit Aerosp	16.90	16.57	16.85	16.81
Brit Airways	6.70	6.37	6.64	6.71
BG	2.62	2.57	2.59	2.58
Brit Land	6.04	5.97	5.98	5.99
Brit Petm	9.12	8.97	9.09	9.03
BSkyB	4.67	4.55	4.65	4.58
Brit Steel	1.86	1.82	1.85	1.85
Brit Telecom	4.48	3.98	3.99	4.01
BTR	2.41	2.29	2.40	2.40
Burmah Castrol	10.85	10.78	10.84	10.88
Burton Gp	1.35	1.18	1.34	1.20
Cable Wireless	5.52	5.38	5.46	5.50
Cadbury Schw	5.69	5.60	5.62	5.72
Carlton Comm	5.02	4.95	5	5.04
Comml Union	7.72	7.50	7.71	7.61
Compass Gp	6.37	6.15	6.33	6.24
Courtaulds	3.32	3.24	3.24	3.26
Dixons	6.37	6.31	6.34	6.34
Electrocomponents	4.68	4.64	4.67	4.65
EMI Group	6.02	5.86	5.97	6
Energy Group	6.45	6.40	6.41	6.43
Enterprise Oil	6.87	6.75	6.78	6.75
Fam Colonial	1.76	1.74	1.75	1.73
Gen'l Accident	9.70	9.50	9.63	9.56
GEC	3.95	3.82	3.87	3.84
GKN	12.98	12.88	12.97	12.95
Glaxo Wellcome	13.67	13.30	13.50	13.35
Granada Gp	8.12	8.03	8.04	8.07
Grand Met	5.98	5.86	5.92	5.88
GRE	2.99	2.88	2.88	2.96
Greenalls Gp	4.55	4.50	4.50	4.53
Guinness	5.82	5.70	5.79	5.71
GUS	6.88	6.68	6.85	6.69
Hays	6.45	6.39	6.43	6.43
HSBC Hldgs	19.20	18.36	18.78	18.86
ICI	10.35	10.16	10.18	10.33
Impl Tobacco	3.74	3.67	3.68	3.71
Kingfisher	7.99	7.88	7.95	7.96
Ladbroke	2.66	2.61	2.63	2.66
Land Sec	9.27	9.19	9.24	9.18
Lasmo	2.65	2.58	2.64	2.64
Legal Genl Grp	4.48	4.43	4.45	4.49
Lloyds TSB Gp	7.96	7.58	7.85	7.63
LucasVarity	2.34	2.19	2.24	2.25
Marks Spencer	6.18	5.96	6.10	5.96
MEPC	4.86	4.76	4.86	4.76
Mercury Asset	12.46	12.20	12.30	12.42
National Grid	2.84	2.79	2.81	2.81
Natl Power	5.48	5.42	5.43	5.65
NatWest	8.89	8.73	8.86	8.78
Next	7.51	7.33	7.50	7.38
Norwich Union	3.43	3.10	3.43	3.35
Orange	2.24	2.17	2.22	2.17
P&O	6.82	6.31	6.72	6.89
Pearson	7.62	7.52	7.55	7.53
Pilkington	1.60	1.52	1.52	1.55
PowerGen	7.54	7.43	7.50	7.54
Premier Farnell	5.35	5.28	5.30	5.27
Prudential	6.41	6.30	6.35	6.41
Railtrack Gp	8.47	8.10	8.45	8.09
Rank Group	3.55	3.48	3.51	3.52
Reckitt Colm	9.77	9.67	9.77	9.70
Redland	2.89	2.82	2.82	2.87
Reed Intl	5.82	5.72	5.72	5.74
Rentokil Initial	2.48	2.42	2.46	2.43
Reuters Hdgs	6.98	6.85	6.92	6.89
Rexam	3.32	3.25	3.28	3.31
RTZ reg	9.98	9.63	9.91	9.69
RMC Group	10.55	9.95	9.98	10.54
Rolls Royce	2.40	2.33	2.39	2.35
Royal Bk Scot	6.25	6.07	6.23	6.12
Royal & Sun All	5.47	5.35	5.45	5.39
Safeway	3.99	3.85	3.94	3.88
Sainsbury	4.45	4.31	4.43	4.33
Schroders	17.98	17.70	17.95	17.96
Scot Newcastle	7.42	7.35	7.37	7.40
Scot Power	4.50	4.39	4.43	4.51
Securicor	2.56	2.53	2.56	2.54
Severn Trent	8.86	8.67	8.74	8.69
Shell Transp R	4.57	4.48	4.51	4.49
Siebe	11.75	11.45	11.74	11.61
Smith Nephew	1.87	1.86	1.87	1.87
SmithKline	5.63	5.45	5.51	5.55
Smiths Ind	9	8.88	8.95	8.89
Sthern Elec	4.55	4.48	4.52	4.55
Stagecoach	6.85	6.75	6.80	6.83
Stand Charter	8.60	8.12	8.59	8.15
Tate & Lyle	4.16	4.05	4.14	4.06
Tesco	4.60	4.48	4.58	4.50
Thames Water	8.29	8.08	8.25	8.16
3i Group	5.06	4.99	5.02	5.03
TI Group	6.37	6.17	6.33	6.18
Tomkins	3.29	3.25	3.28	3.25
Unilever	17.96	17.61	17.79	17.68
Utd Assurance	4.88	4.77	4.85	4.80
Utd News	7.62	7.53	7.57	7.56
Utd Utilities	7.03	6.88	6.98	6.92
Vendome Lx uts	4.83	4.73	4.75	4.75
Vodafone	3.35	3.27	3.28	3.32
Whitbread	8.05	7.97	8.02	8.02
Williams Hdgs	3.57	3.53	3.56	3.53
Wolseley	4.99	4.89	4.89	4.99
WPP Group	2.87	2.81	2.85	2.83
Zeneca	19.90	19.47	19.74	19.52

Madrid — Bolsa index: 608.05 Previous: 601.46

	High	Low	Close	Prev.
Acerinox	25980	25660	25970	25620
ACESA	2005	1965	1995	1970
Aguas Barcelon	5980	5900	5980	5880
Argentaria	8280	8140	8220	8110
BBV	4370	4250	4350	4260
Banesto	1470	1450	1455	1470
Bankinter	8390	8260	8320	8300
Bco Centro Hisp	6120	6070	6120	6020
Bco Popular	9450	9060	9270	8980
Bco Santander	4620	4530	4600	4570
CEPSA	4620	4515	4550	4540
Continente	2925	2895	2910	2920
Corp Mapfre	8600	8460	8530	8510
Endesa	3120	3075	3100	3085
FECSA	1265	1230	1265	1225
Gas Natural	7700	7360	7650	7350
Iberdrola	1785	1765	1785	1775
Pryca	2750	2680	2700	2745
Repsol	6370	6260	6330	6270
Sevillana Elec	1415	1380	1415	1380
Tabacalera	9740	9570	9600	9570
Telefonica	4410	4345	4390	4345
Union Fenosa	1265	1250	1265	1265
Valenc Cement	2820	2770	2820	2820

Manila — PSE index: 2089.85 Previous: 2073.96

	High	Low	Close	Prev.
Ayala B	13.25	12.25	13	13.50
Ayala Land	15.50	15	15.25	15.75
Bk Philip Isl	100	96.50	97.50	103
C&P Homes	3.75	3.35	3.35	3.85
Manila Elec A	73.50	73	73	73.50
Metro Bank	370	342.50	350	375
Petron	4.20	4.10	4.20	4.20
PCIBank	155	150	151	155
Phil Long Dist	925	900	915	915
San Miguel B	57.50	55.50	57	57.50
SM Prime Hdg	6	5.80	5.80	6.10

Mexico — Bolsa index: 5181.46 Previous: 5089.61

	High	Low	Close	Prev.
Alfa A	68.30	65.20	68.30	65.00
Banacci B	24.15	23.00	23.85	23.00
Cemex CPO	40.20	39.50	40.05	39.15
Cifra C	15.56	15.20	15.54	15.10
Emp Moderna	40.00	39.40	40.00	39.30
Gpo Carso A1	64.20	62.90	64.00	62.60
Gpo F Bcomer	3.54	3.48	3.51	3.48
Gpo Fin Inbursa	34.50	34.10	34.10	34.10
Kimb Clark Mex	37.60	37.00	37.00	37.00
Televisa CPO	148.00	147.40	147.80	147.00
TelMex L	18.90	18.70	18.84	18.60

Milan — MIB Telematico: 15075.00 Previous: 14881.00

	High	Low	Close	Prev.
Alleanza Assic	16200	15835	16200	16000
Bca Comm Ital	4850	4720	4790	4760
Bca Fideuram	6710	6530	6605	6660
Bca di Roma	1635	1606	1606	1590
Benetton	28050	27650	27800	27500
Credito Italiano	3900	3770	3820	3700
Edison	8750	8650	8695	8685
ENI	10400	10215	10395	10205
Fiat	5965	5860	5930	5835
Generali Assic	38950	38500	38950	38750
IMI	17590	17310	17450	17500
INA	2630	2605	2615	2610
Italgas	5810	5715	5745	5790
Mediaset	8600	8060	8530	8400
Mediobanca	13565	13200	13540	12950
Montedison	1284	1260	1282	1255
Olivetti	904	859	904	870
Parmalat	2810	2760	2810	2735
Pirelli	4730	4660	4670	4730
RAS	14985	14860	14875	14800
Rolo Banca	23350	22850	23100	22700
S Paolo Torino	12340	12110	12110	12100
Telecom Italia	11195	10825	11180	10805
TIM	6640	6520	6565	6505

Montreal — Industrials index: 3713.86 Previous: 3675.46

	High	Low	Close	Prev.
Bce Mob Com	51.35	50.60	50.60	51.45
Cdn Tire A	28.85	27.95	28.85	27.95
Cdn Util A	37.35	37.10	37.35	37¼
CT Finl Svc	44.45	43¾	44.45	44
Gaz Metro	18.35	18.20	18.35	18.20
Gt-West Lifeco	32.70	32.40	32.65	32½
Imasco	40.45	39.95	40.45	40.10
Investors Grp	41.90	39.55	40.10	38½
Loblaw Cos	20.90	20.70	20.90	20¾
Natl Bk Canada	19.10	18.95	19	19.05
Power Corp	39.10	38¾	39.10	38¾
Power Finl	38.35	37.15	38.20	37.15
Quebecor B	26.40	26.10	26.15	26.35
Rogers Comm B	8.95	8.80	8.80	8.95
Royal Bk Cda	67.40	66.10	66.65	65.85

Oslo — OBX index: 698.08 Previous: 694.70

	High	Low	Close	Prev.
Aker A	132	128	132	128
Bergesen Dy A	198	193	198	198
Christiania Bk	24.50	24	24.50	24.10
Den norske Bk	29.50	28.80	29.30	29.40
Elkem	130.50	126	130	127
Hafslund A	44	43.50	43.50	44
Kvaerner Asa	410	404	406.50	411
Norsk Hydro	433	429	432.50	434
Norske Skog A	255	246	255	250
Nycomed A	164	162	164	163
Orkla Asa A	585	580	585	582
Petim GeoSvc	464	458	460	462
Saga Petim A	146.50	142	146	142.50
Schibsted	124	123	123.50	123
Transocean Off	N.T.	N.T.	N.T.	690
Storebrand Asa	52.50	50.50	52	51.50

Paris — CAC-40: 2978.37 Previous: 2944.08

	High	Low	Close	Prev.
Accor	997	978	991	986
AGF	244	231.10	240.40	242
Air Liquide	936	914	936	934
Alcatel Alsth	842	799	839	821
Axa-UAP	398.40	393.20	396	395.50
Bancaire	699	683	695	694
BIC	444.40	433.10	439.70	440
BNP	292	287.50	290.30	288.90
Canal Plus	1127	1067	1122	1077
Carrefour	3612	3506	3520	3552
Casino	Susp.	Susp.	Susp.	332.10
CCF	325.50	321.20	323.30	325
Cetelem	628	613	620	619
Christian Dior	856	843	856	848
CLF-Dexia Fran	558	546	558	545
Credit Agricole	1303	1303	1303	1306
Danone	884	839	874	843
Elf-Aquitaine	810	771	802	775
Eridania BS	828	809	828	805
Eurodisney	8.25	8	8.10	8.10
Eurotunnel	6.45	6.30	6.40	6.40
Gen. Eaux	708	689	694	697
Havas	401.90	391.10	396.10	396.30
Imetal	868	844	868	867
Lafarge	448	439.20	443.10	445.50
Legrand	1251	1230	1251	1247
L'Oreal	2365	2240	2300	2263
LVMH	1343	1320	1337	1321
Michelin B	344.80	333.20	342	333.20
Paribas A	428.90	415.50	424.60	418
Pernod Ricard	302.40	297	299	299.40
Peugeot Cit	776	766	770	767
Pinault-Print	2635	2572	2621	2609
Promodes	2210	2141	2163	2135
Renault	176.90	169.70	176.90	173.90
Rexel	1666	1600	1666	1620
Rh-Poulenc A	245.90	233.20	241.20	240.50
Sanofi	619	607	617	610
Schneider	370.20	357.30	370.20	357
SEB	846	831	840	841
SGS Thomson	533	505	525	517
Ste Generale	839	813	835	818
Sodexho	2900	2730	2845	2645
St Gobain	913	902	913	910
Suez Lyon Eaux	660	647	654	659
Synthelabo	737	712	715	726
Thomson CSF	182	176.30	181	181
Total B	672	647	642	650
Usinor	110.40	106	110.40	105
Valeo	377.10	363	375.70	373.50

São Paulo — Bovespa index: 11713.28 Previous: 11524.40

	High	Low	Close	Prev.
Bradesco Pfd	10.81	10.50	10.80	10.70
Brahma Pfd	830.00	817.00	825.00	820.00
Cemig Pfd	59.00	56.99	58.70	57.60
CESP Pfd	87.50	83.80	86.99	83.99
Copel	17.00	16.50	17.00	17.50
Eletrobras	571.00	554.99	571.00	555.00
Itaubanco Pfd	592.00	584.00	590.00	584.00
Light Servicos	470.00	466.00	468.00	466.00
Lightpar	370.00	355.00	362.50	353.50
Petrobras Pfd	299.01	292.00	297.00	294.00
Paulista Luz	200.00	193.80	200.00	193.98
Sid Nacional	41.89	41.49	41.80	41.50
Souza Cruz	10.40	10.30	10.40	10.40
Telebras Pfd	143.50	139.80	143.50	140.51
Telemig	165.00	163.00	164.50	163.99
Telerj	133.00	129.00	131.80	133.00
Telesp Pfd	315.00	300.00	313.01	298.02
Unibanco	38.50	37.40	38.50	37.50
Usiminas Pfd	12.00	11.87	12.00	12.00
CVRD Pfd	28.50	27.20	28.29	27.90

Seoul — Composite index: 701.39 Previous: 699.74

	High	Low	Close	Prev.
Dacom	87500	85800	85800	85700
Daewoo Heavy	7700	7600	7640	7600
Hyundai Eng.	19700	19500	19500	19400
Kia Motors	10300	10000	10200	9900
Korea El Pwr	23200	22700	22800	22200
Korea Exch Bk	5350	5120	5150	5210
LG Semicon	44500	41000	44000	41400
Pohang Iron St	60900	59500	60200	59000
Samsung Display	47000	46100	47000	46800
Samsung Elec	71800	70500	71300	71000
Shinhan Bank	9100	9000	9100	9000
SK Telecom	474000	455000	474000	451000

Singapore — Straits Times: 1894.09 Previous: 1910.24

	High	Low	Close	Prev.
Asia Pac Brew	5.40	5.30	5.30	5.40
Cerebos Pac	5.25	5.15	5.15	5.25
City Devlts	9.70	9.40	9.65	9.75
Cycle Carriage	10	9.90	9.95	10
Dairy Farm Int*	0.94	0.92	0.93	0.93
DBS foreign	15.90	15.40	15.80	15.70
DBS Land	3.88	3.72	3.72	3.80
Fraser & Neave	9.10	8.90	9.10	9
HK Land*	3.30	3.22	3.28	3.30
Jard Matheson*	8.30	8.05	8.20	8.30
Jard Strategic*	3.92	3.80	3.84	3.84
Keppel A	5.90	5.80	5.85	5.95
Keppel Bank	3.14	3.12	3.12	3.16
Keppel Fels	4.54	4.46	4.48	4.50
Keppel Land	3.94	3.86	3.92	3.86
OCBC foreign	11.20	10.50	10.70	11.10
OS Union Bk F	6.85	6.50	6.55	6.85
Parkway Hdgs	5.65	5.25	5.60	5.80
Sembawang	6.60	6.40	6.55	6.60
Sing Air foreign	12.70	12.40	12.70	12.60
Sing Land	7.25	7.05	7.10	7.25
Sing Press F	23.30	22.10	23.20	23
Sing Tech Ind	2.50	2.45	2.45	2.50
Sing Telecomm	2.26	2.22	2.23	2.25
Tat Lee Bank	2.81	2.79	2.80	2.81
Utd Industrial	1.04	1.03	1.03	1.04
Utd O'Sea Bk F	11.30	11.10	11.30	11.30
Wing Tai Hdgs	3.14	3	3.04	3.10

*: In U.S. dollars.

Stockholm — SX 16 index: 3434.27 Previous: 3391.26

	High	Low	Close	Prev.
AGA B	122	119.50	121.50	122
ABB A	109.50	107	109.50	107.50
AssiDoman	251	244	250	243
Astra A	135	132	134.50	133
Atlas Copco A	251	248	249	249.50
Autoliv	336.50	329	336	327
Electrolux B	588	584	587	585
Ericsson B	346	344	346	339.50
Hennes B	328	322	323.50	323.50
Incentive A	702	698	701	698
Investor B	406	399	404	403
MoDo B	274.50	260	274	260
Nordbanken	258	252.50	258	253
Pharm/Upjohn	283	278	281	282.50
Sandvik B	251	249	249	249
Scania B	231.50	228.50	228.50	231.50
SCA B	193	190.50	193	190.50
S-E Banken A	92.50	90	91	91
Skandia Fors	344	332	340	335
Skanska B	322	314.50	322	316
SKF B	218.50	215	217	215.50
Sparbanken A	182	179	182	182
Stora A	136.50	126	134	131
Sv Handels A	252.50	240.50	252	248
Volvo B	217	205.50	209.50	206.50

Sydney — All Ordinaries: 2696.30 Previous: 2679.30

	High	Low	Close	Prev.
Amcor	8.68	8.57	8.68	8.64
ANZ Bking	10.87	10.68	10.80	10.65
BHP	16.20	15.99	16.08	16.19
Boral	4.05	3.98	4.05	4
Brambles Ind.	29.20	28.80	29.20	29.05
CBA	16.64	14.17	16.62	16.21
CC Amatil	14.90	14.80	14.83	14.94
Coles Myer	6.63	6.52	6.63	6.57
Comalco	6.70	6.65	6.65	6.78
CSR	5.49	5.25	5.45	5.29
Fosters Brew	2.81	2.77	2.80	2.79
Goodman Fld	2.23	2.18	2.19	2.24
ICI Australia	12.66	12.30	12.56	12.25
Lend Lease	31.60	31.15	31.35	31.30
MIM Hdgs	1.57	1.53	1.55	1.53
Nat Aust Bank	21	20.23	20.95	20.35
Nat Mutual Hdg	2.30	2.25	2.29	2.28
News Corp	6.63	6.50	6.60	6.51
Pacific Dunlop	3.69	3.65	3.67	3.70
Pioneer Intl	4.73	4.69	4.70	4.70
Pub Broadcast	8.56	8.50	8.50	8.58
Rio Tinto	20.39	20	20.26	20.13
St George Bank	8.54	8.31	8.50	8.32
WMC	6.23	6.14	6.17	6.35
Westpac Bking	8.43	8.29	8.42	8.31
Woodside Pet	12.20	11.86	12.20	12.05
Woolworths	4.38	4.18	4.34	4.18

Taipei — Stock Market index: 9141.33 Previous: 9087.55

	High	Low	Close	Prev.
Cathay Life Ins	135	133.50	134	133.50
Chang Hwa Bk	105	103	103	103
Chiao Tung Bk	81	80	81	80.50
China Developmt	121.50	120.50	121	120.50
China Steel	28.60	28.30	28.60	28.50
First Bank	105	103	103	103.50
Formosa Plastic	61	59	59	60.50
Hua Nan Bk	112	110	110	110
Intl Comm Bk	56.50	55.50	55.50	56.50
Nan Ya Plastics	71	70.50	71	71
Shin Kong Life	88	87	87.50	87
Taiwan Semi	144	138	144	140
Tatung	45	44.80	45	44.80
Utd Micro Elec	97	93	97	95.50
Utd World Chin	63	62	62	62.50

Tokyo — Nikkei 225: 17930.09 Previous: 17683.27

	High	Low	Close	Prev.
Ajinomoto	1030	994	1030	1000
All Nippon Air	710	701	710	699
Amway	3390	3320	3350	3400
Asahi Bank	760	748	755	760
Asahi Chem	573	538	565	538
Asahi Glass	929	895	923	898
Bk Tokyo Mitsu	2230	2180	2230	2170
Bk Yokohama	481	465	481	470
Bridgestone	2810	2780	2810	2800
Canon	3570	3420	3530	3440
Chubu Elec	2080	2050	2060	2050
Chugoku Elec	1980	1950	1970	1960
Dai Nipp Print	2410	2360	2410	2400
Daiei	701	655	696	700
Dai-Ichi Kang	1340	1300	1330	1310
Daiwa Bank	504	493	503	510
Daiwa House	1360	1330	1340	1350
Daiwa Sec	715	684	710	687
DDI	6060a	5990a	6020a	6100a
Denso	2950	2860	2950	2880
East Japan Ry	5500a	5360a	5450a	5600a
Eisai	2270	2230	2250	2270
Fanuc	4680	4580	4680	4700
Fuji Bank	1370	1340	1370	1350
Fuji Photo	4840	4690	4830	4690
Fujitsu	1480	1430	1450	1440
Hachijuni Bk	1150	1110	1150	1110
Hitachi	1050	1020	1040	1020
Honda Motor	3960	3830	3950	3820
IBJ	1440	1420	1420	1460
IHI	331	325	330	331
Itochu	455	449	455	451
Ito-Yokado	6100	5870	5980	5890
JAL	480	460	479	480
Japan Tobacco	9500a	9360a	9450a	9430a
Jusco	2980	2850	2850	3000
Kajima	570	559	565	573
Kansai Elec	2190	2160	2170	2190
Kao	1660	1640	1650	1650
Kawasaki Hvy	432	422	427	445
Kawa Steel	244	230	233	243
Kinki Nipp Ry	690	676	690	683
Kirin Brewery	1040	989	1030	987
Kobe Steel	156	151	152	151
Komatsu	697	692	693	696
Kubota	465	440	465	442
Kyocera	7750	7680	7720	7600
Kyushu Elec	2010	1980	2010	2000
LTCB	515	497	513	518
Marubeni	410	398	410	400
Marui	2000	1900	2000	1940
Matsu Comm	3500	3360	3460	3510
Matsu Elec Ind	2140	2100	2120	2100
Matsu Elec Wk	1280	1250	1250	1270
Mitsubishi	1100	1040	1090	1040
Mitsubishi Ch	297	285	289	297
Mitsubishi El	508	504	506	503
Mitsubishi Est	1660	1610	1640	1610
Mitsubishi Hvy	657	642	665	726
Mitsubishi Mat	653	642	653	650
Mitsubishi Tr	1750	1710	1750	1710
Mitsui	909	899	905	904
Mitsui Fudosan	1480	1400	1450	1380
Mitsui Trust	595	580	594	590
Murata Mfg	0	0	0	4950
NEC	1390	1350	1370	1360
Nikko Sec	1870	1800	1860	1830
Nikon	501	486	487	486
Nintendo	11200	10800	11100	10700
Nipp Express	788	769	787	769
Nippon Oil	504	489	504	491
Nippon Steel	264	243	248	266
Nissan Motor	707	685	700	691
NKK	184	181	181	184
Nomura Sec	1460	1430	1450	1440
NTT	1060b	1000b	1060b	1000b
NTT Data	5280b	5240b	5270b	5260b
Oji Paper	554	539	552	567
Osaka Gas	299	293	295	301
Ricoh	1720	1670	1720	1680
Rohm	13100	12900	13100	12400
Sakura Bk	641	617	628	640
Sankyo	4000	3880	3950	3850
Sanwa Bank	1500	1470	1490	1490
Sanyo Elec	410	403	404	405
Secom	8000	7900	8000	8010
Seibu Rwy	4790	4600	4780	4900
Sekisui Chem	938	908	915	938
Sekisui House	1150	1140	1140	1160
Seven-Eleven	8730	8650	8720	8700
Sharp	1180	1140	1180	1140
Shikoku El Pwr	1980	1960	1970	1970
Shimizu	570	552	567	563
Shin-etsu Ch	3130	3050	3090	3070
Shiseido	1930	1870	1890	1940
Shizuoka Bk	1270	1260	1270	1260
Softbank	5200	5010	5040	5200
Sony	11000	10600	10800	10800
Sumitomo	876	856	870	858
Sumitomo Bk	1740	1710	1730	1710
Sumit Chem	429	420	421	430
Sumitomo Elec	1720	1680	1710	1680
Sumit Metal	257	250	250	252
Sumit Trust	1130	1100	1130	1100
Taisho Pharm	3030	2940	3030	2940
Takeda Chem	3500	3330	3500	3360
TDK	9910	9850	9900	9880
Tohoku El Pwr	1990	1960	1990	1970
Tokai Bank	964	945	954	965
Tokio Marine	1450	1360	1430	1350
Tokyo El Pwr	2330	2290	2300	2290
Tokyo Electron	7080	6860	7060	6890
Tokyo Gas	289	282	289	282
Tokyu Corp.	563	551	558	571
Tonen	1080	1050	1080	1050
Toppan Print	1640	1580	1620	1600
Toray Ind	725	696	701	729
Toshiba	645	634	638	632
Tostem	1960	1870	1870	1950
Toyo Trust	940	912	940	947
Toyota Motor	3490	3380	3460	3350
Yamanouchi	2950	2910	2950	2920

a: x 100; b: x 1,000

Toronto — TSE Industrials: 6974.94 Previous: 6898.89

	High	Low	Close	Prev.
Abitibi Cons.	25¼	24.65	24.95	24.40
Alberta Energy	33.40	32.90	33.35	32.40
Alcan Alum	49.80	47.60	49¼	47½
Anderson Expl	18	17.35	17½	17.95
Bk Montreal	58.45	57.40	58	57¼
Bk Nova Scotia	65.90	64.60	65	64.15
Barrick Gold	30.90	30	30.55	29.90
BCE	42.10	41.55	41.90	41.65
BC Telecomm	35.80	35.10	35.65	35.10
Biochem Pharm	44	44	44	44.10
Bombardier B	29.35	29	29	29.30
Cameco	48½	47.15	48.40	48½
CIBC	40.40	39.85	39.85	39.80
Cdn Natl Rail	72.45	71½	72.30	71.85
Cdn Nat Res	42.70	41.80	41.80	42½
Cdn Occid Pet	37.70	37.15	37¼	37.35
Cdn Pacific	42.45	41.90	42.35	41.95
Cominco	33¼	32½	33½	32¼
Dofasco	28.20	27.80	28	28.10
Domtar	12.40	12.10	12.40	12.05
Donohue A	32.35	32	32.35	32
Du Pont Cda A	33.80	33.05	33.80	33½
EdperBrascan	23.10	22.90	23.05	23
EuroNev Mng	23.10	22.40	23.10	22.05
Fairfax Finl	395	393	395	394
Falconbridge	25¼	24.30	24.80	24¼
Fletcher Chall A	24	23¼	23¾	23
Franco Nevada	30¼	29.15	29.90	29.15
Gulf Cda Res	11.65	11	11.30	11
Imperial Oil	78½	77.70	78½	77.90
Inco	36.15	34.90	35¼	34.80
IPL Energy	53½	53	53	53.40
Laidlaw B	22.40	22	22.30	22¼
Loewen Group	38½	37	37.60	36.70
Macmill Bldl	19.70	19.30	19½	19.20
Magna Intl A	97.65	96	96.90	96.65
Methanex	11.45	11.30	11.30	11.35
Moore	30.60	29.90	30.15	29.95
Newbridge Net	82.10	78.30	82.70	77½
Noranda Inc	27.55	26.55	27.30	26.60
Norcen Energy	36	35.85	35.85	36
Nthern Telecom	148	143¾	146.80	143.90
Nova	11.60	11½	11.55	11.55
Onex	34	33.05	34	33¼
Pancdn Petim	26½	26	26.20	25¾
Petro Cda	25.65	24.95	25.60	25.40
Placer Dome	22½	22	22¼	21.80
Poco Petim	13.80	13.45	13.65	13.70
Potash Sask	106.85	105.45	106.05	106.10
Renaissance	36¼	36	36.15	36.40
Rio Algom	30.20	30	30.20	30
Rogers Cantel B	26.15	26.15	26.15	26.15
Seagram Co	49¼	48.60	49½	48.95
Shell Cda A	23½	23.10	23.35	23½
Suncor	46¼	45.30	45¾	46¼
Talisman Eny	48¼	47¼	47.55	48.20
Teck B	25.20	24¾	25.10	24
Teleglobe	49¾	48.65	49¾	48.70
Telus	30.30	30	30.10	30.05
Thomson	33.90	33.30	33¾	33.15
TorDom Bank	47.20	46.80	46.80	46.60
Transalta	18.10	17¾	17.90	17¾
TransCda Pipe	27.40	26.90	27.40	27
Trimark Finl	83.05	77.65	82¾	78.05
Trizec Hahn	33.10	32¼	32.90	32.40
TVX Gold	6.95	6.55	6.80	6.55
Westcoast Eny	28¾	28.55	28.65	28.70
Weston	108	107	107½	107

Vienna — ATX index: 1377.34 Previous: 1368.32

	High	Low	Close	Prev.
Boehler-Uddeh	975	957	969	971.30
Creditanst Pfd	630	623	627	630
EA-Generali	3005	2950	3005	2980
EVN	1480.55	1457	1480	1469.90
Flughafen Wien	492	487	491	489
OMV	1776.40	1753	1771	1751
Oest Elektriz	872	870	871.80	874.50
VA Stahl	553	540	550	539.60
VA Tech	2650	2553	2630	2577
Wienerberg Bau	2546	2516	2531	2539

Wellington — NZSE-40 index: 2332.75 Previous: 2338.98

	High	Low	Close	Prev.
Air N Zeald B	4.09	4.03	4.07	4.03
Brierly Invt	1.33	1.32	1.32	1.31
Carter Holt ord	3.50	3.42	3.44	3.50
Fletch Ch Bldg	4.78	4.73	4.75	4.77
Fletch Ch Eny	6.50	6.40	6.50	6.40
Fletch Ch Forst	1.99	1.97	1.98	1.96
Fletch Ch Paper	3.18	3.11	3.16	3.09
Lion Nathan	3.74	3.70	3.70	3.73
Telecom NZ	8.28	8.19	8.21	8.23
Wilson Horton	11.35	11.35	11.35	11.40

Zurich — SPI index: 3598.82 Previous: 3555.64

	High	Low	Close	Prev.
ABB B	2180	2133	2175	2130
Adecco B	576	564	571	561
Alusuisse R	1340	1321	1340	1335
Ares-Serono B	2390	2350	2370	2400
Atel R	N.T.	N.T.	N.T.	840
Baer Hdg B	2170	2125	2150	2140
Baloise Hldg N	2045	2005	2045	2035
BK Vision	1134	1110	1132	1128
Ciba Spec Chem	142	139.50	142	141
Clariant R	1150	1120	1149	1129
Crd Suisse Gp R	196.50	192.25	196	195
Elektrowatt B	537	535	537	536
Ems-Chemie	6910	6810	6900	6870
ESEC Hdg	4130	3950	3950	4150
Holderbank B	1370	1330	1361	1350
Liechtenst LB B	578	575	575	578
Nestle R	1969	1868	1950	1860
Novartis R	2280	2232	2251	2245
Oerlikon Buehr R	186.25	183.50	186.25	183.25
Pargesa Hld B	1835	1825	1835	1829
PharmVisn B	902	870	898	878
Richemont A	2010	1950	2010	1920
Pirelli PC	326	322	326	322.50
Roche Hdg PC	13400	13035	13345	13120
SBC R	387.50	383	386.50	385.50
Schindler PC	1865	1835	1865	1850
SGS B	2660	2610	2660	2620
SMH B	905	888	900	904
Sulzer R	1018	1006	1010	1008
Swiss Reins R	2187	2101	2175	2095
SAirGroup R	1918	1895	1913	1900
UBS B	1579	1549	1565	1558
Winterthur R	1419	1390	1417	1414
Zurich Assur R	608	585	604	599

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	174.39	+0.90	+0.52	+16.93
Regional Indexes				
Asia/Pacific	116.82	+0.31	+0.27	-5.36
Europe	189.38	+1.15	+0.61	+17.48
N. America	207.87	+0.23	+0.11	+28.39
S. America	189.01	+4.21	+2.55	+47.70
Industrial Indexes				
Capital goods	221.76	-0.38	-0.17	+29.74
Consumer goods	190.97	+0.65	+0.34	+18.30
Energy	207.01	+2.46	+1.20	+21.26
Finance	128.81	+0.50	+0.39	+10.60
Miscellaneous	185.12	+0.87	+0.47	+14.43
Raw Materials	185.65	+1.55	+0.84	+5.86
Service	164.50	+1.71	+1.05	+19.79
Utilities	169.11	+1.17	+0.70	+17.88

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

NYSE

Thursday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.

The Associated Press.

■ Is it safe to do business on the Internet?

■ Are there broadly accepted standards?

■ What is the role of banks in electronic business?

Don't miss the series of sponsored pages in the IHT on electronic business. Learn the ins and outs of on-line transactions.

September 24:

BUSINESS TO e-BUSINESS: BANKING

Reprints will be made available after publication.
Fax: +33 1 41 43 92 13 / E-Mail: supplements@iht.com

Herald Tribune

THE WORLD'S DAILY NEWSPAPER

Continued on Page 18

Brokerage In Japan Is Raided

Scandal in Payoffs Spreads to Daiwa

Compiled by Our Staff From Dispatches

TOKYO — Authorities raided Daiwa Securities Co. on Thursday as a scandal over payoffs to a gangster widened to enmesh Japan's second-largest brokerage.

Some 100 investigators entered Daiwa's Tokyo headquarters in search of evidence that the brokerage paid 67.28 million yen ($556,000) to a corporate racketeer, Ryuichi Koike, prosecutors said.

"We are taking the situation gravely and intend to fully cooperate with authorities," Daiwa said in formal language similar to that used by the three other major Japanese financial companies that have been investigated by prosecutors.

Nomura Securities Co. and Dai-Ichi Kangyo Bank Ltd. have already been found guilty of making illegal payments to Koike. And prosecutors arrested Yamaichi Securities Co. executives Thursday on similar charges.

All are suspected of paying Mr. Koike to prevent him or others from asking embarrassing questions at shareholder meetings.

The scandal will very likely cause Daiwa to lose its recent lead in trading stocks on the Tokyo Stock Exchange, said Walter Altherr, analyst at Jardine Fleming Securities (Asia) Ltd.

Nomura lost the No. 1 spot after it became the first brokerage to be linked to the scandal in March.

If investigators find the brokerage paid off Mr. Koike, it will probably get slapped with punishments similar to those the Ministry of Finance handed out in July to Nomura.

The ministry ordered Nomura to stop trading stocks on its own account and selling new government bonds for five months.

The brokerage has also lost money as customers bar it from underwriting their corporate bonds or refuse to let it trade securities for them.

Daiwa Securities, under investigation for allegations of corruption at its head office, was dealt its first blow abroad on Thursday when the Australian government cut the Japanese broker out of the sale of Telstra Corp. *(Bloomberg, Reuters)*

IMF Presses Thailand to Help Banks

By Alan Friedman
International Herald Tribune

HONG KONG — The managing director of the International Monetary Fund said Thursday that Thailand was "complying pretty well" with the macroeconomic conditions of last month's $17.2 billion rescue package.

But the IMF official, Michel Camdessus, speaking at a news conference here, also said the Fund was still pressing Bangkok "to go ahead with strengthening a few of their commercial banks."

Mr. Camdessus denied reports that the IMF was quietly threatening to withhold funds from Thailand because the fragile governing coalition there was moving too slowly on its commitments to reduce public spending, increase taxes and bolster its foreign-exchange reserves.

Asked whether he was satisfied with Thailand's performance so far, Mr. Camdessus said: "We are never satisfied. It is our job to put pressure on governments and remind them of their commitments.

"We are permanently in contact with the Thai authorities, and we see them complying pretty well with the budgetary, the monetary and the exchange-rate elements of the program. In the past few days, he added, the IMF has seen "a sense of urgency in their commitment to undertake financial-sector reforms."

Mr. Camdessus said the IMF was "sharing our impatience" with Bangkok, and he acknowledged "pressing" the government to move to strengthen some commercial banks.

Some international economists express doubt about the willingness of Thai officials to take sufficiently harsh steps against a number of the country's more than 50 banks and hard-hit financial companies.

But the Thai government restated its commitment Thursday to comply with the IMF reform program.

Foreign observers also fear that the management of the Thai crisis could suffer if the six-party governing coalition were to collapse, as is considered possible in the near future. A no-confidence motion accusing the government of "economic mismanagement" is to be debated in Parliament on Wednesday.

Mr. Camdessus said the stability of the government was "not a performance criterion" for an IMF standby loan. If the government were to change, he said, there would be a period of "agitation and speculation," but "after an interruption of the program, we would then continue working with the new government."

Some economists, however, fear that if the government were to fall, there would be market mayhem long before the IMF got around to even meeting the new authorities.

'It is our job to put pressure on governments and remind them of their commitments.'

Separately, the Asian Development Bank on Thursday offered to lend Thailand $1 billion to help fund the restructuring of its capital markets. That would be in addition to the $17.2 billion IMF bailout.

Asked whether the governments of Thailand and other East Asian countries could persuade their citizens that deep sacrifices were necessary, Mr. Camdessus replied: "The governments should tell their people that if they want more growth, this has a price. This is the responsibility of the politicians."

He added: "I believe that in today's world, you have no more right to make a mistake. All governments must compete for excellence."

Commenting on Europe's single-currency project, Mr. Camdessus said he was "tremendously impressed" by European governments' progress toward the economic targets for starting a common currency as defined by the Maastricht Treaty.

"We believe they will be very close to Maastricht criteria, if not on target," he said.

But the IMF official said he remained concerned that despite near-record unemployment levels, European governments were not taking steps to make their labor markets more flexible.

"My suggestion to European countries is to give at least as much attention to this problem as to the last decimal points of the Maastricht criteria," he said.

■ Philippine Peso Reaches Another Low

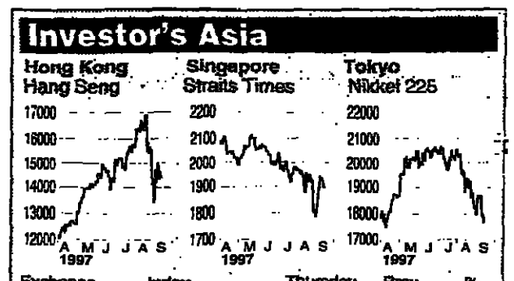
The Philippine peso tumbled to a record low for the second day in a row, Agence France-Presse reported Thursday.

The dollar was quoted at 34.05 pesos, up from 33.25 pesos on Wednesday. The U.S. currency has risen more than 25 percent against the peso since the Philippines allowed the currency to float in July.

The peso's decline was fed by fears of political instability stemming from a scheduled massive protest rally in Manila on Sunday to protest moves for constitutional amendments, including a proposal to extend the term of President Fidel Ramos.

"Some in the market expect the peso to dive further to the 35 figure soon," said Jacqueline Ong, a regional economist with the British financial house IDEA. She noted that the Philippine central bank had not intervened in the market as it used to do by selling some dollars to cushion the peso's fall.

Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	14,419.45	14,411.19	+0.06
Singapore	Straits Times	1,896.09	1,910.24	-0.74
Sydney	All Ordinaries	2,696.30	2,679.30	+0.63
Tokyo	Nikkei 225	17,530.09	17,283.27	+1.40
Kuala Lumpur	Composite	786.68	811.12	-3.01
Bangkok	SET	521.68	517.40	+0.82
Seoul	Composite Index	701.39	699.33	+0.29
Taipei	Stock Market Index	9,141.33	9,087.56	+0.59
Manila	PSE	2,009.85	2,073.96	-3.09
Jakarta	Composite Index	524.27	526.74	-0.47
Wellington	NZSE-40	2,553.75	2,538.98	+0.58
Bombay	Sensitive Index	3,884.77	3,928.33	-1.11

Source: Telekurs International Herald Tribune

Very briefly:

• **Sega Enterprises Ltd.** plans to develop amusement centers in India in a joint venture with **Mitsubishi Corp.** and **Mahindra & Mahindra Ltd.** of India. Sega said the venture would generate annual revenue of 2 billion yen ($16.5 million) by the end of 1999.

• **North Korea** has informally asked to join the International Monetary Fund at the same time as it is accepted in the Asian Development Bank, officials said. No date has been set for its membership in the development bank.

• **Japan's** commercial property prices declined for the sixth consecutive year, falling 5.1 percent in the 12 months ended July 1, the National Land Agency said. Residential property prices fell 0.7 percent in the same period.

• **Hyundai Corp.** and **Samsung Group** established a petrochemical-production alliance to include building a pipeline in 1998 between **Samsung General Chemicals Co.** and **Hyundai Petrochemical Co.** in Sosan, southwest of Seoul.

• **Australia** suspended **Daiwa Securities Co.** as the Asian manager in its partial sale of **Telstra Corp.** because of investigations into Daiwa's role in a payoff scandal in Japan.

• **U.S. Filter Corp.**, a water-treatment-system company, said it had offered to buy **Memtec Ltd.** of Australia for $330 million. *AFP, Bloomberg*

Toyota Said to Plan 2d Car Factory in Europe

Compiled by Our Staff From Dispatches

TOKYO — Toyota Motor Corp. will build a second assembly plant in Europe, the Nihon Keizai newspaper reported Thursday, without citing sources.

Toyota, which is Japan's largest carmaker, was reported to be aiming to expand sales in Europe by almost 50 percent by 2000.

"We haven't reached a final decision," a Toyota representative responded, calling the newspaper's report "pure speculation."

The Nihon Keizai said in its morning edition that Toyota would spend 200 billion yen ($1.65 billion) to build the plant and would start production there by 2001. The Toyota representative said the automaker planned to decide on a site for the plant, which is to produce compact cars, by "mid-1998."

Toyota's share of the European auto market in 1996 was less than 3 percent.

Analysts said Toyota was expected to choose a site in northern France for the assembly plant. They said this would help the automaker tighten its grip on one of its weakest markets.

"It's better to build a plant in France to boost the share in that market, as Japanese manufacturers are too dependent on sales in Britain, Germany and Switzerland," one analyst said.

But such a move could provoke tensions with French carmakers, who say Japan has been exporting too many vehicles to Europe. *(Bloomberg, Reuters)*

Mitsubishi Heavy Stock Falls on Reduced Profit Forecast

Bloomberg News

TOKYO — Shares of Mitsubishi Heavy Industries Ltd. fell 10 percent Thursday after Japan's largest heavy machinery manufacturer cut its full-year pretax profit forecast by 17 percent.

The company's stock fell 71 yen to close at 655 yen.

Mitsubishi Heavy said it expected a pretax profit of 160 billion yen ($1.32 billion) for the year ending in March, and it blamed higher-than-expected shipbuilding costs and sluggish demand for power generation equipment.

Mitsubishi Heavy's shares rose 1 yen Wednesday to close at 726. The company revised its earnings after the close of trading on the Japanese exchanges.

The company develops, manufactures and distributes a range of heavy machinery including shipbuilding structures, nuclear energy systems and power systems.

NEC to Build Plant in Singapore

Agence France-Presse

TOKYO — NEC Corp. said Thursday that it would invest 300 million Singapore dollars ($197.6 million) in a semiconductor plant in Singapore to meet growing demand.

The company's subsidiary, NEC Semiconductors Singapore Pte. Ltd., will build the factory to test and assemble semiconductors. With 600 employees, the plant will increase the Singapore unit's total production volume by more than 2.5 times by 2000, NEC said.

We have won the '97 European Quality Award :
another step towards excellence...

THE EUROPEAN QUALITY AWARD LARGE BUSINESS WINNER '97

Participation is important

The semi-conductor industry requires tremendous efforts in terms of investments, innovative capacity, research, development and marketing (pricing, delivery deadlines, service).
Right from the outset, the undeniable quality of our company's production facilities and sales teams has been the driving force behind our activities.
A determination to achieve perfection now entirely pervades our structure and our workforce.
It represents the cornerstone of our corporate philosophy and enables us to adapt successfully to the accelerated development of our sector.

Winning is rewarding

This year, we have earned the European Quality Award, the most prestigious European recognition of global corporate quality. It honours the pursuit of an ideal relationship between a company, its employees, its shareholders, and its social and natural environment. The award is bestowed on the basis of an extremely severe set of terms of reference and an audit, which required the wholehearted implication of all within the company. The motivation and remarkable enthusiasm of our personnel have enabled us to achieve this goal of worldwide significance.

Perseverance is crucial

Nonetheless, we do not see this award as an arrival point, the final stage of a complex process. It is simply another brick laid upon the harmonious structure – encompassing nature, people and industry – which we consistently strive to build. Admittedly, perfection is not of this world. However, the quest for the absolute, so characteristic of humankind, impels us to make persistent endeavours which guide us towards excellence.

SGS-THOMSON MICROELECTRONICS

Internet: http://www.st.com

NASDAQ

Thursday's 4 P.M.
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Thursday's 4 P.M. Close
(Continued)

Advertisement

INTERNATIONAL FUNDS

September 18, 1997

available on Internet: http://www.iht.com/IHT/FUN/funds.html

Quotations supplied by fund groups to Micropal Paris (tel: 33-1 40 26 09 09)

service sponsored by NOKIA

For information on how to list your fund, fax Katy Houri at (33-1) 41 43 92 12 or E-mail : funds@iht.com
To receive free daily quotations for your funds by E-mail : suscribe at e-funds@iht.com

999 Other Funds

The data in the list above is the russ supplied by the fund groups to Micropal SA. It is collated and reformated into the list before being transmited to the IHT. Micropal and the IHT do not warrant the quality or accuracy of the list, the data of the performance of idies of the Fund Groups and will not be liable for the list, the data or Fund Group to any extent. The list is not and shall not be deemed to be an offer by the IHT or Micropal to sell securities or investments of any kind. Investments can fall as well as rise. Past performance does not guarantee future success. It is advisable to seek advice from a qualified independent advisor before investing.

Face Fax NOKIA 9000

SPONSORED SECTION

RUSSIA

TRANSLATING STABILITY INTO STEADY GROWTH

Confidence in reforms is bringing investment.

President Boris Yeltsin is not the first Russian leader to turn to the West for help in reforming the economy. Peter the Great and Lenin cherished similar goals, but their success in opening the country to outsiders turned out to be short-lived.

Despite Russia's alluring natural resources, huge untapped market and educated workforce, foreign investors hung back in the early years of reform, wary that political chaos might drive Moscow into another bout of isolationism. The rout of the communists in last year's presidential election, however, instilled confidence that reform will not evaporate — it is just a question of how long change will take and how much room will be made for foreigners.

Capitalizing on this political lull, Mr. Yeltsin has appointed a team of aggressive reformers to spearhead economic policy. Their "outstanding" success in stabilizing the economy this year has won high praise from the International Monetary Fund and the reward of two tranches of the agency's three-year $10 billion Extended Fund Facility. IMF approval also boosts foreign confidence, as does an array of positive macroeconomic signals currently being trumpeted from the Kremlin.

Positive indicators

Inflation is down to 12 percent, interest rates have plunged to around 24 percent from highs of over 120 percent and the ruble exchange rate has done little more than twitch for more than a year. There are even cautious hopes that Russia's credit rating will be improved when international agencies revisit Moscow in November.

What matters now is when and how the relief of stability will translate into the resurrection of the economy. Officially, growth was 0.8 percent in the first five months of 1997, but even Economics Minister Yakov Urinson admits that these figures are unreliable.

Moscow is awash with international financiers. Some $11 billion in foreign portfolio investment has poured into Russia over the last year. A large proportion of that has gone into high-yield Treasury bills, and the rest to the equity market, which have together absorbed $4.5 billion of the total $6.7 billion in international capital flowing into Russia in the first half of 1997. Foreign trade in T-bills is expected to remain buoyant through the year, despite a fall in yields to around 20 percent from earlier peaks of above 200 percent.

Lower interest rates should perk up badly needed investment in Russia's flagging industries. Since the election, direct foreign investment has begun to climb, totaling $1.5 billion in the first half of 1997, against $600 million in the first six months of 1996. "It's going up, but not as much as we would like," says Pavel Teplukhin, chief economist at Troika Dialog. "However, it's very natural for early investors in emerging markets to focus on sovereign debt, Treasury bills and bonds. Longer-term players will follow, using the data and experience gained by the fixed-income crowd to help them feel more comfortable." A spectacular inflow of foreign funds into Russian privatization this summer has not yet shown up in quarterly statistics, Mr. Teplukhin points out. Financier George Soros forked out $900 million of the $1.8 billion winning bid placed by Unexim Bank at an open auction for the telecommunications giant Svyazinvest in August. Mr. Soros's bid could herald a start to major foreign participation in federal equity auctions.

More transparency

Russian privatization has been insular and marked by controversy as state assets slipped into the hands of favored banks for a song. Realizing that far larger sums can be generated at fair, transparent-equity auctions, Moscow has pledged to end insider dealing. If the stakes are upped at share auctions, Russian bidders will almost certainly be in search of foreign cash.

When the new captains of Russian industry start investing, they will probably turn to foreign capital markets for funds. "Eventually, Russian banks will become the fuel for economic growth," says Guy de Selliers, deputy vice president of the European Bank for Reconstruction and Development. "One of the EBRD's main tasks is to increase confidence in the financial sector so that domestic savings will re-enter the system and Russian companies can source term finance more readily."

The financial sector has absorbed over 600 million Ecus ($545 million) of the 2.14 billion Ecus the EBRD has committed so far in Russia. Loans have also gone to natural resources, agribusiness, energy conservation, wood processing and automobile production, among others. The EBRD acts as a catalyst for other investment by restricting to 35 percent its contribution to any one project.

Taxation should be reduced, simplified and refocused on profit rather than revenue once the new tax code is applied. Parliament is likely to approve the code this fall, but deputies have already warned that the early stages of implementation will be bumpy. Crucial legislation is slowly entering the statute book.

Isabel Gorst

Moscow is celebrating its 850th anniversary amid fanfare and pageantry. The celebration also marks the re-emergence of Russia as an outward-looking nation as it seeks to stabilize its economy following reforms. Policy, taxation and legislation are all being developed and refined in order to facilitate foreign investment and promote business growth.

BANKS GO AFTER BUSINESS STAKES

Movement is away from securities and into loans.

In 1993, because of concerns about local banks' being crushed by the weight of foreign banks' resources, a series of presidential decrees imposed a moratorium on foreign bank operations.

At that time, only a few had managed to open offices in Russia. But last year, President Boris Yeltsin began the process of peeling away the restrictions, and now they are lining up to get in. Foreign banks are limited to a 12 percent share of the total Russian banking capital, and they currently make up about a third of this limit. There are 12 foreign banks with full operating licenses, but several more, including Germany's Hypo-Bank and Bank of America, are in the process of applying for licenses from the Central Bank.

While Russian banks are facing stiff competition from international houses in terms of experience, resources and expertise, they have other, more important, advantages. Menatep, one of the seven largest local banks, had total assets of just over 9 trillion rubles ($1.6 billion) at the beginning of the year. Its president, Alexander Zourabov, says that the bank's advantage lies in the "risk of business" in Russia, given that its legal framework is still rickety.

"Unless you have created a whole system of how to solve these problems and reduce this risk of business," says Mr. Zourabov, "you are less competitive. Western banks are finding it difficult to create this system at the moment."

Metamorphosis

Until the start of this year, the biggest banks were still operating more like financial houses than banks, with trade finance or the buying of lucrative government securities accounting for most of their income. The government, in need of money, began issuing various state-backed securities, of which the GKO (Gosudarstvenniye Kratkosochniye Obyazatelstva) were the most popular. Since the 1996 presidential elections, the yields have fallen rapidly from their 200 percent peak as the government tapped into much cheaper funds through the issue of two Eurobonds, worth approximately $2 billion, at the end of last year.

"We keep a portfolio of a few hundred million dollars," says Alexander Lebedev, chairman of the National Reserve Bank, previously one of the biggest players, "but, unfortunately, the yields are now very low. They are not higher than 7 percent to 8 percent, and it is changing the banking business. We expect to restructure 30 percent to 40 percent of our portfolio by the end of the year."

With a new reformist face in government, the competition is getting stiffer, and, although trade is still an important source of income, banks are becoming more sophisticated in their search for new profit centers. Retail banking is dominated by the Soviet-created Sberbank, which accounts for 70 percent of the business and has over 30,000 branches nationwide.

Back to basics

Several other banks are targeting retail, but only SBS Agro, with 1,200 branches, is a serious challenge at the moment. Banks like Menatep and Inkom each have around 50 or 60 branches, which are primarily intended to establish a presence in the increasingly attractive regional markets.

It is in the traditional banking business, however, that the real profits are going to be made. The market capitalization of Russian companies has gone from $10 billion to $100 billion during 1996, and they need loans and long-term investment capital.

"For the most part, Russian assets are undervalued," says Vladimir Chernykh, financial director of the Prema investment company. "But if you look at the profits, then the profits do not justify the market prices. Most of the companies are trying to improve management to bring the cash flow into line with the value of the assets. There are a lot of good opportunities."

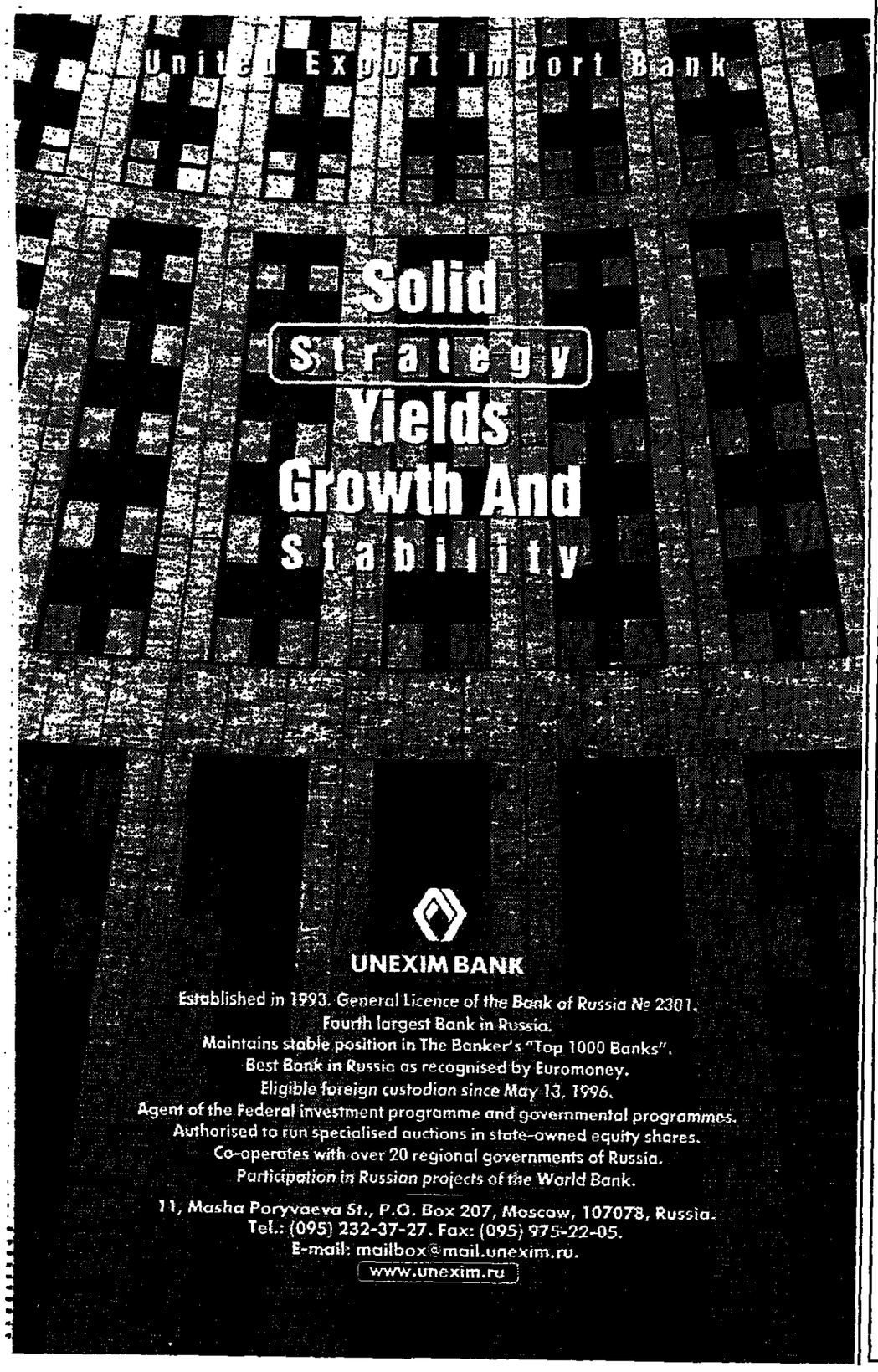
Banks like Menatep and Unexim have stakes in some of the largest companies in the country in the rich oil and minerals sectors and are actively restructuring them and making loans.

Typical of the banks, Inkom is lending 20 percent of its loan portfolio to companies it has stakes in, and Menatep, 30 percent.

At the start of July, there were 1,727 banks, down from more than 2,100 last year. Only five Russian banks figure among the top 1,000 in the world, but they are steadily working their way up the list. With access to foreign expertise and capital, they will climb much faster.

"Russian banks can raise roughly $4 billion to $5 billion, but what we have to do is facilitate direct investment, initially to the companies that belong to our respective groups, as well as direct capital into the regions," says Menatep's Mr. Zourabov.

Ben Aris



General licence No. 2170, issued 30/09/96

National Reserve Bank
one of the most powerful Russian banks.

National Reserve Bank (NRBank) has been officially authorized by the Russian government to deal with assets and liabilities of the former USSR.

NRBank's main focus is on investment banking projects such as placement of new government and corporate issues, structuring and marketing of existing issues, and other primary market placements.

NRBank's secondary market activities include trading in Russian debt instruments (e.g. Russian USD-denominated Ministry of Finance Bonds, Vnesheconombank Loans, ruble-denominated "GKO" Treasury Bills, etc.), Russian equities and foreign exchange. The risk management techniques include futures and options trading and use of other derivative products.

Among the major services that NRBank provides to its clients are asset management and portfolio selection as well as project finance and asset-backed financing for the bigger clients.

One of NRBank's instrument strategies is diversifying its exposure to Russian instruments with the instruments of other CIS countries such as Ukraine, Belarus, Kazakhstan, etc. The pilot name given to this powerful new instrument is "CIS Portfolio".

NRBank has established a large network of prime business partners and counterparties throughout the world, including the biggest investment houses in the major financial centres. NRBank has a strong presence in some CIS countries, currently concentrating on Ukraine and Belarus, in addition to branches in St.Petersburg and Kiev.

The present ratings consistently show NRBank among the top five Russian banks.

NRBank is a type "C" authorized dealer in GKO-OFZ securities, which allows it to trade with non-Russian residents. This status, in conjunction with its already considerable portfolio, makes the bank one of the Russia's largest investors in government securities.

National Reserve Bank
24/1, Novokuznetskaya Ulitsa,
Moscow 109017
Russia
tel: (7-095) 956-3231, 230-3231/33-86/33-67/33-14
fax: (7-095) 956-3230
E-mail: admin@nresbank.msk.ru

RUSSIA

TELECOM UPGRADE FULL OF PROMISE FOR INVESTORS

The opportunities for growth are enormous.

Russia's antiquated telephone infrastructure consists largely of the old electro-mechanical system with moving metal parts that click into place. Line static, voice "drop out," sudden disconnections, busy circuits when calling outside the city and call interference are common glitches. Moreover, Russia has a low telephone penetration rate: just 15 lines per 100 people — unacceptable in a country trying to build a free-market system and middle class while it weaves itself into the international economy.

These factors have fueled Russia's demand for modern telecommunications and attracted the world's telecommunications multinationals, investors and analysts. "Telecommunications is perhaps the number-one sector for investment in Russia right now," says Igor Kliutchnikov, chairman of Mifor Invest, a Moscow-based brokerage that is part of the holding company Securities Issue Syndicate. "Almost everywhere in Russia, there will be an increase in the number of lines and subscribers."

Targeting regional companies

Mr. Kliutchnikov says his company is investing mainly in regional telecommunications companies, not necessarily in Moscow. Regional company shares are not yet available Russia-wide, but beginning this year they will be, he says. "Soon, everyone will be able to buy them, and their liquidity will increase," he says. "We expect telecoms as a whole to go up in the near future."

Suppliers stand to benefit as well. Upgrading and laying new lines across vast Russia — which reaches from Scandinavia to the Far East — will take a lot of work and big money. Officials from Sweden-based LM Ericsson estimate that Russia's telecommunications market, including switching and radio communication systems, is worth about $300 million and growing at 100 percent annually.

The Russian government expects installation of 3 million lines per year — with 75 percent supplied by foreign companies and joint ventures. Multinationals like Japan-based NEC Corp. and Germany-based Siemens have invested in local switch manufacturing. Through local manufacturing, these companies hope to become key suppliers to Svyazinvest, a holding company made up of 85 regional telephone companies. One-quarter of Svyazinvest was recently sold by the state to a consortium of banks led by Russia's Unexim Bank and ...cluding multibillionaire financier George Soros.

"More than 50 percent of Russia's telecom system needs replacement," says Osamo Watanabe, head of NEC's CIS office in Moscow. "We expect rapid expansion."

Meanwhile, as the conventional systems get installed, cellular telecommunications has been expanding exponentially. The mobile phone became a quick practical alternative to the pay phone and has emerged as a prestige item.

Fractional market penetration

Some 160,000 mobile phone subscribers have signed on since the first handsets for consumers were introduced in 1994. The figure is low, representing 0.1 percent penetration and making growth potential enormous. As more competitors enter the market and drive prices down, the country's subscriber base is expected to balloon.

The mobile phone market is 99.9 percent untapped.

Several competing mobile phone standards have appeared on the market. Among them, handsets based on the GSM standard have little presence in the huge country — roughly 25,000 subscribers. By comparison, systems with the NMT standard — Russia's federal analog system — have about 50,000 subscribers. NMT's advantage is its range, allowing coverage across long stretches of land. In big cities, however, its use is restricted by the limited number of frequencies.

GSM has been slow to catch on because it is costly, requiring more base stations and aerials per mile across Russia than NMT standard systems. Ericsson remains the dominant supplier of cellular systems in Russia, accounting for a whopping 80 percent of the vast country's cellular systems infrastructure, according to Yngve Redling, president of Ericsson Russia in Moscow.

Sales were roughly $250 million last year. By the year 2001, barring any unforeseen circumstances, Redling expects Ericsson Russia to reach $1 billion in sales. Competitors include NEC, Motorola, Alcatel, Lucent, Nokia and Siemens.

New York listing

Local cellular operators have popped up around Russia; Moscow-based VimpelCom is the largest. In November, VimpelCom, anticipating huge demand, became the first and only Russian company to be listed on the New York Stock Exchange.

For those who can't afford a mobile phone, a pager has proven to be a hot-selling alternative. Motorola and NEC are two of the companies involved in paging systems in Russia. Other telecommunications equipment, including PABX systems, is needed by Russia's huge state enterprises and ministries.

Industry sources say their main concerns are that the economy keep moving forward and that the political situation not change dramatically. Some multinationals believe the risk is acceptable enough to increase their stake in Russia.

NEC, with $100 million in sales in Russia last year, is negotiating other manufacturing ventures with Russian companies in the areas of fiber-optic transmission systems and microwave transmission equipment.

Drew Wilson

EVOLVING LEGISLATION FOR OIL AND GAS

Foreign oil companies are looking to a more investor-friendly legal and tax regime.

When Russia first opened its doors to foreign investors in the early 1990s, international oilmen arrived in droves. Outside the Middle East, no country in the world has bigger untapped oil reserves. Foreign oil executives went in search of oil deals in remote places like Tyumen province, the Komi, Udmurtia and Tataria. Since then, over a dozen mega-projects that could eventually bring some $70 billion in foreign investment into Russian oil fields have been painstakingly negotiated.

Some 40 foreign joint ventures are already producing oil in Russia, accounting for around 22 million tons of the country's 300-million-ton annual output. But most operators have trimmed earlier investment plans to the bone as rising tax and transport bills have gnawed away at their profit margins.

Cautionary tales

The travails of joint ventures are viewed as a cautionary tale by companies with more ambitious plans. They prefer to invest within the framework of production-sharing contracts, which entitle the government to a fixed percentage of oil production and limit its tax take to just two levies.

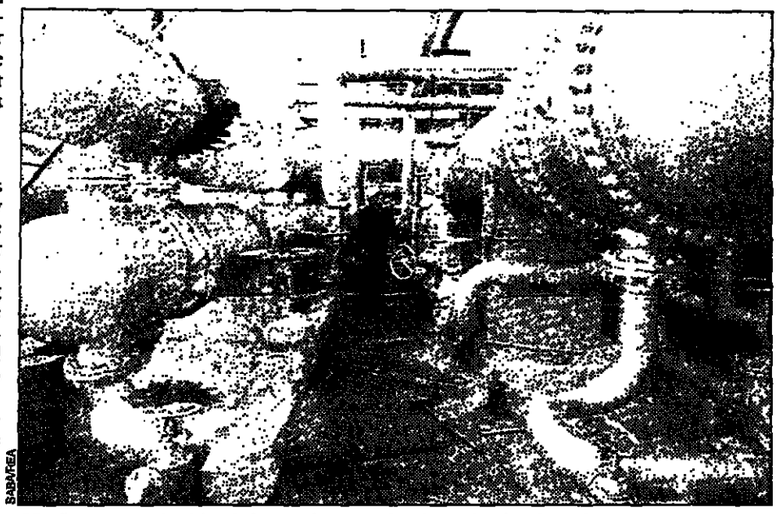
Initially, the production-sharing law passed in late December 1995 looked like the perfect Christmas gift to foreign oil companies. But they soon began to take issue with the details. A separate law of amendments has since been drafted and was given a first reading by Parliament this July. More debate is expected this autumn, when deputies mull over the second and third readings.

Parliament also needs to approve each resource project recommended for development under production-sharing terms. So far, Australian company BHPP's Prirazlomnoye field is the only foreign project to have won such approval.

Investment stimulus

Ironically, reform of the tax system could take place before the production-sharing law is amended. Apart from reducing the overall tax burden, the new tax code shifts the emphasis of taxation onto profits rather than revenues. This should help stimulate investment in the oil sector.

The ongoing struggle between Russian banks, oil companies and regions for control over oil reserves has muddied the field for foreign companies, which have often been caught up unexpectedly in the scrimmage. The local government in the Nenets region played a significant part in persuading Moscow to annul a tender in which Exxon won exploration and development rights on the CK block, the future hub of several huge oil projects foreigners are planning in Arctic regions of north European Russia.



Oil refiners are modernizing their operations now that domestic prices have risen.

Meanwhile, Amoco's negotiations for the giant Priobskoye field in West Siberia stalled after Bank Menatep took over Yukos, the owner of the field.

A few foreign oil companies have already abandoned upstream Russia; those that are staying have hunkered down for a long wait. "In 10 years' time, the situation will still be evolving in Russia," says Jonathan Stern of London-based consultancy Gas Strategies. "There will probably be about a half-dozen capital-intensive foreign oil and gas field projects under way. Other companies will have bits and pieces on the side."

There are still new avenues to explore. "Until recently, downstream was the Cinderella of the Russian oil industry," says Peter Houlder, managing director of Moscow-based CenterInvest. "Higher domestic prices for oil products have encouraged refiners to start investing in modernization, bringing plenty of work for foreigners. Gasoline retailing is booming, so everyone is clamoring to build service stations in and around big cities."

Privatization has opened a new window on the oil industry. Atlantic Richfield (Arco) was a pioneer, buying an 8 percent stake in Russia's biggest oil company, Lukoil, via convertible bonds issued in 1995-96. Arco also proposed to invest up to $5 billion via the LukArco joint ventures it subsequently set up with Lukoil.

"It's been an extremely good investment," says Robin Matthews, formerly of Arco. "Lukoil's share price has tripled since Arco bought stock. Purchase of the bonds provided the introduction to other projects with Lukoil, which now include a 5 percent stake in the giant Tengiz field in Kazakstan and a share in the Caspian Pipeline Consortium."

I.G.

INTEL'S SECRET: CREATE THE BUYERS

Intel has managed to rack up high sales volume mainly by importing and selling.

U.S.-based microprocessor maker Intel Corp. is a success story, with a total $200 million worth of business in the countries of the former Soviet Union last year. The secrets of the company's 85 percent share of the Russian market are that it works closely with Russian computer assemblers and aggressively creates user demand for the latest Intel technology.

Moscow-based Pavel Borokh, Intel technical marketing manager for the East European region, says Intel Russia has studied "all the steps through which our product moves into this market. We have people dedicated to influencing each part in this chain."

The first links in the chain are strategic partnerships forged with local PC manufacturers VIST, Formoza and R&K, which dominate the buoyant small and medium-sized business market. VIST holds 17 percent of Russia's PC market, besting heavyweights like Compaq, Hewlett-Packard and IBM.

Intel engineers deliver the newest chips to these partners months before their market release and advise them on how to design their product lines around them. "Then we have marketing people driving various marketing programs with the manufacturers and working on the wholesaling and retailing channels, including training for them," Mr. Borokh says.

Co-op advertising

In a cooperative advertising scheme, 6 percent of all money spent by Russian companies on Intel chips is reimbursed by Intel and must be used for advertising that carries the "Intel Inside" logo. End-user demand for Intel chips is stimulated by a software-development program that demonstrates to program developers the benefits of the most advanced models.

"Supporting software developers is important for us," says Mr. Borokh of the $1 million program. "They can prepare their software to take advantage of the newest technology. If we do not have software that is taking advantage of the new hardware, then we will not be able to sell it. When our new MMX [microprocessor] was announced this year, we already had software titles released that were using this technology because we had started working with the software vendors nine months before it appeared on the market."

Intel has also set up its own Moscow-based software technology laboratory to develop off-the-shelf programs that require its latest chips, designed for incorporation, into programmers' software.

With its strategic partners locked out of the government market by the multinationals, Intel Russia is creating demand from corporations and some federal ministries by advising them on technological advances and tailoring their systems. Top clients include Gazprom, Russia's mammoth gas producer, the Central Bank of Russia and the ubiquitous Sberbank.

Intel's push-pull strategy is working. Sales predictions for this year are more than 50 percent higher than the 1996 figures. But there is a problem. "Many multinationals view Russia as a dumping ground for newly outdated technology — maybe six months old — which nobody in Western Europe will buy," Mr. Borokh says. "Customers are buying on price without thinking which technology is behind this price, and local manufacturers — our customers — are forced to work close to the same level. But pricing is very dynamic in the microprocessor world. We really make money only on the new technology."

Intel's regional manager for Eastern Europe, Stephen Chase, says that while Russia is still six to nine months behind Germany or France, the transitions that the country is making between different generations of chips are as rapid, and the gap is closing.

In the second quarter of 1995, when the 486 computer still dominated the Russian market, just 20 percent of Intel chips sold in Russia were the new Pentium chips. Only nine months later, Pentium chips made up 65 percent of sales.

With an Intel manufacturing plant costing $1 billion, Mr. Chase says that the time is not yet right to build one in Russia. "There are too many unanswered questions and too many infrastructure holes that need to be fixed."

The last link

Intel is now shifting its emphasis to the last link in the PC chain, focusing on distribution, particularly to small companies that manufacture up to 100 computers a month, which Intel estimates make up 35 percent of the market. "Wholesale and retail channels are very fragmented," explains Mr. Borokh. "There are thousands of small companies that are wholesaling PCs, doing a little manufacture, a little bit of retail."

This summer, a 14-member Intel team, dubbed "roadrunners," scattered across the country with a mission to both help create Russia's computer cottage industry and sell Intel parts to it. The program mirrors a successful one in Indonesia.

Lloyd Donaldson

"RUSSIA"
was produced in its entirety by the Advertising Department of the International Herald Tribune.
WRITERS: Ben Aris and Isabel Gorst in Moscow; Lloyd Donaldson and Drew Wilson in St. Petersburg.
PROGRAM DIRECTOR: Bill Mahder.

INVESTMENT COMPANY PREMA-INVEST

To prefer us is to prefer PROFESSIONALISM!

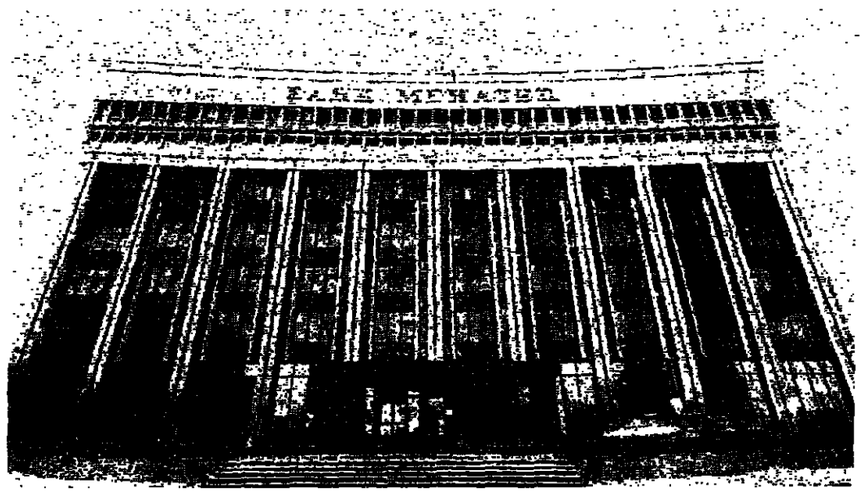
Reliable high-quality brokerage!

- Operations with Russian shares including new 2-, 3- and 4-tier shares
- Research and Consulting
- Representation in 36 regions of Russia
- Consulting to facilitate operations on the Russian stock market
- Customized working scheme

We serve foreign partners wishing to join the Russian stock market

26 Myasnitskaya St., Moscow 101000
Tel.: (095) 928-9587/733-9797, fax: (095) 924-0464
E-mail: prema@glasnet.ru

General licence No.41 issued 20/10.93



Your Banker In Russia

- Established in 1988 Bank MENATEP is a full–service bank offering a complete array of services including corporate finance, crediting, investment banking, foreign trade financing, financial markets operations and trust management of portfolio investments.
- With assets of over $2 billion, MENATEP is among the top ten Russian banks. Credit issues and investment programs in securities account for the largest share of Bank MENATEP's assets.
- As a primary dealer of the Russian Finance Ministry in government debt instruments – GKOs, OFZs and MinFin Bonds – MENATEP manages one of the ten largest portfolios of government securities.
- Bank MENATEP serves more than 4, 000 legal entities, including the governmental bodies of the Russian Federation and the city of Moscow, the administrations of several Russian regions, and major national companies operating in chemical, oil, textile, food, metallurgy and other sectors.
- Since 1994, Bank MENATEP's balance sheet has been certified by the international auditors Arthur Andersen in accordance with Russian and International Accounting Standards.
- MENATEP is authorized by the U.S. Securities and Exchange Commission and the Central Bank of Russia to implement a level–one American Depository Receipt (ADR) program.
- The international agency Thomson BankWatch has awarded MENATEP a long–term «B +» credit rating, the highest possible rating for Russian banks.
- Via its wide network of branches throughout Russia, MENATEP takes part in evaluating, developing and providing banking services for long–term investment projects in the country.
- MENATEP's global correspondent network provides its clients with payment services in all international currencies.

International Relations Department: 26 Ulansky per., Moscow 103045, Tel: (7-095) 956-7521; Fax: (7-095) 928-0401

Bank MENATEP

WORLD ROUNDUP

Roe Takes Lead In British Masters

GOLF Mark Roe of England shot a 7-under-par 65 on Thursday to take the first-round lead in the British Masters, although most eyes were on the weak play of the eight European Ryder Cup players in the field.

It wasn't a good day for the Ryder team in a first-round that saw 78 players remaining on the course when darkness fell. Play was three hours late in beginning because of heavy morning fog in Coventry.

Of the three Ryder players who finished the round, Darren Clarke of Northern Ireland had the best day with a 1-under 71. Jose Maria Olazabal of Spain shot a 72 and Ian Woosnam of Wales finished at 73.

Of the five Ryder players left on the course, Thomas Bjorn of Denmark was in the best shape at 3-under after 12 holes. Another Ryder rookie, Lee Westwood of England was a poor six over with seven holes to play. *(AP)*

Grobbelaar's Troubles Seem Far From Over

SOCCER Goalkeepers Bruce Grobbelaar and Hans Segers, who were acquitted of match-fixing last month, were charged by English soccer authorities on Thursday with breaking betting rules. They could face life bans from the sport.

The Football Association said the charges stemmed from the testimony the two players gave during their match-fixing trial in Winchester, which ended Aug. 8.

Grobbelaar, Segers, the former Wimbledon striker John Fashanu and a Malaysian businessman, Heng Suan Lim, were all acquitted on charges of fixing Premier League games for an Asian gambling syndicate. The four had been tried previously on the same charges, but the first trial ended in February with the jury failing to reach a verdict.

As a result of the court acquittal, the FA said Thursday it was dropping the charges of match-fixing it filed against Grobbelaar in November 1994.

However, the FA said it was bringing new charges against the two goalkeepers. "We can announce today that Bruce Grobbelaar and Hans Segers have both been charged with breaches of FA rules on betting," the association said in a statement. "They have admitted to breaches of the relevant FA rules at the criminal trials.*(AP)*

Sanchez Vicario Triumphs

TENNIS Second-seeded Arantxa Sanchez Vicario quickly ended the hopes of upset-minded Shinobu Asagoe, advancing to the Toyota Princess Cup quarterfinals with a 6-0, 6-0 victory over the Japanese qualifier on Thursday.

Asagoe, ranked 259th in the world, had ousted the error-plagued Chanda Rubin of the United States in the first round on Wednesday. On Thursday, as her Spanish opponent made no mistakes, she impatiently slugged the ball long and wide, and admitted later to being embarrassed by the splashy local press coverage of her previous day's triumph.

Among the seeds in action on Thursday, only No. 4 Kimberly Po had to struggle. Overcoming a 2-5 second-set deficit with heavier hitting, the American beat Japan's Rika Hiraki 3-6, 7-6 (8-6), 6-3.

Third-seeded Conchita Martinez of Spain ousted Wang Shi-ting of Taiwan, 6-1, 6-3 in slightly more than an hour, chasing her around with a mix of slice and topsin, and lobbing or passing out of trouble when she needed to. *(AP)*

Fans Aren't Cheering Champions League

New Format Hasn't Filled Seats

International Herald Tribune

PARIS — European soccer's powerful marketing men seem to have missed a trick. For Paris St. Germain's opening match in this season's Champions League, the field was surrounded by billboards for the competition's eight sponsorship "partners." Television directors could hardly avoid advertising tires or chocolate spread with virtually every picture of the action.

If the cameras strayed away from the field, they could not help showing the Champions League logo — a soccer ball composed of stars — which UEFA, the governing body of European soccer, had plastered on every bare concrete surface.

But UEFA could have done better. It could have stuck ads on the seats. The Parc des Princes was dressed up for a party but only 21,000 people came.

The 1997-98 Champions League, part of Europe's premier club competition, was also greeted by tens of thousands of empty seats in such traditional soccer cities as Lisbon, Munich, Madrid and Turin on Wednesday night. The blame does not entirely lie with UEFA's constant tinkering with the competition, and the lack of fan interest may be a good thing.

This season, UEFA has expanded the Champions League section of its Champions Cup to 24 teams, from 16. For the first time, it allowed teams that are not national champions into the competition. The second-place teams from the eight highest ranked countries were admitted to a qualifying round with 24 champions of middle-ranked countries. All eight nonchampions won and advanced. PSG was one of those.

The losers in the qualifying round, all of them national champions, were relegated to the lesser UEFA Cup, which is where league runners-up traditionally played.

In Paris, where PSG crushed Goteborg, the Swedish champions, 3-0, the UEFA logo was obscured at either end of the ground by the banners of the PSG supporters' clubs whose members cram into the cheap seats for every match.

One, belonging to a group which calls itself the Boulogne Boys, had hung out a banner mocking the new format. It proclaimed that PSG would win C3, the French shorthand for the UEFA Cup. C3 was carefully crossed out and afterwards was written C1 — the Champions Cup. Even the most one-eyed fans of one of the clubs that has benefited from UEFA's changes think the changes are a joke.

Of course, the Champions League is primarily packaged for television. Fans can watch their local team play live and, immediately after that game has finished, the wonders of the satellite can bring them the highlights from the evening's other 11 matches, with every goal replayed from four or five angles. Why bother to go to a match when the view is so good from your armchair?

Television also breeds familiarity. Today every fan is familiar with every major European club. European soccer has lost its exotic quality. That process has been accelerated by the increasingly multinational and homogenous nature of European soccer. The great Real Madrid team of the early 1960s starred a player from Argentina, Alfredo di Stefano, and another from Hungary, Ferenc Puskas. But that process has accelerated wildly in recent years. PSG is managed by a Brazilian, and its star striker is Italian.

In England, Newcastle United, managed by a Scot, faced Barcelona of Spain, which is coached by a Dutchman. A Colombian scored all three goals for the English, a Portuguese scored one for the Spaniards.

UEFA's changes to the Champions League reflect the increasing concentration of top players in a few wealthy leagues. Since the fall of the Iron Curtain, Eastern Europe has been strip-mined for soccer talent. Success can be disastrous for clubs in the less affluent European leagues. Players started leaving Rosenborg of Norway for wealthy English clubs even before its surprising run in last season's Champions League had finished.

Even Monaco entered its first Champions League severely weakened. No sooner had it won the French league last season, than English clubs started buying its players. Monaco could not keep Sonny Anderson, its star striker, once Barcelona decided he was the man to replace Ronaldo.

One function of the Champions League is to forestall any attempts by the biggest European clubs to break away from UEFA, leave their national leagues and form a European superleague. This is the encouraging aspect of Wednesday's poor gates. Several potential superleaguers — Juventus, Real Madrid, Bayern Munich — draw larger crowds for matches against even the weakest teams in their domestic league. Fans across Europe, like those in Paris who mocked their teams place in the Champions League, are traditionalists. Soccer, in its ceaseless quest for a few extra dollars, should bear that in mind. Unless it plans to sell every seat in the stadium to advertisers.

European Soccer/PETER BERLIN

Jasper Juinen/Reuters

PSV Eindhoven's Arthur Numan, left, vying with Dynamo Kiev's Vladislav Vashtchuk. Dynamo Kiev won 3-1.

PSG, Bayern and Juventus Win

By Peter Berlin
International Herald Tribune

PARIS — Paris-St. Germain received plenty of help from visiting Gothenburg as it beat the Swedish champion, 3-0, in its opening match in Group E of the Champions League.

The French team started impressively. Rai, its veteran Brazilian midfield player, orchestrated a series of carefully constructed attacks on the wings. Jerome Leroy and Laurent Fournier on the right and Franck Gava on the left repeatedly outflanked the Swedish defense. But Marco Simone and the diminutive Florian Maurice were usually outnumbered in the Gothenburg penalty area, and the burly Swedish defenders reached every cross first.

They did not always clear the danger, however. In the 27th minute, the Swedes half-cleared a PSG corner. Simone collected the ball on the edge of the penalty area and rolled it into the path of Bruno N'Gotty, who drilled a low shot into the corner of the Gothenburg goal.

In a poor second half, both PSG goals were the result of inept defense rather than inspired attack. In the 52d minute, Gava swung another cross into the Swedish goalmouth. Again, a defender reached the ball first, but this time Teddy Lucic slammed his attempted clearance into his own goal. With eight minutes to go, Olof Magnusson tripped Simone to give PSG a penalty from which Rai scored.

In the other Group E match, Bayern Munich, the German champion, beat Besiktas of Turkey, 2-0, in Munich. In the first three minutes, Thomas Helmer, a defender, twice headed against the post from corners. The second time, the ball bounced straight back to Helmer, who poked it into the goal. Mario Basler scored the second goal with a powerful drive in the 70th minute.

The results left PSG atop the group on goal difference from Bayern. The enlarged Champions League means that only the six group winners are guaranteed a place in the quarterfinals next spring. Only the two best second place teams will join them, so a single goal advantage could prove crucial.

GROUP C The most balanced group opened with two mild surprises. Newcastle United, which prides itself on its tradition of great British center forwards, beat visiting Barcelona, 3-2, thanks to a vintage display of old-fashioned center-forward skills by a Colombian.

Faustino Asprilla gave Newcastle the lead in the 22d minute in time-honored fashion. He poked the ball into the Barcelona penalty area, drew an ill-judged dive from Ruud Hesp, then tumbled over the goalkeeper in spectacular fashion to win a penalty. Asprilla converted the kick himself.

His other two goals were of classic beauty. Twice, Keith Gillespie, an old-fashioned right winger, skipped past Sergi, the Barcelona left back, and hit accurate hanging crosses into the Barcelona goalmouth. Twice, Asprilla outleapt the Barcelona defenders to slam headers past Hesp.

In Eindhoven, Dynamo Kiev upset PSV, the Dutch champion, 3-1. Yuri Maksimov gave the Ukrainian champion the lead after 33 minutes, and Wim Jonk leveled for PSV five minutes before the half. But Serhiy Rebrov scored in the first minute of the second half and Kiev tallied again in the last minute.

GROUP B Juventus played much of its match against Feyenood of Rotterdam with just 10 men but still won, 5-1, in Turin. Juventus took a 3-0 lead in the first half. Alessandr Del Piero scored the first two, the second from a penalty, and Filippo Inzaghi struck the third.

Juventus lost Angelo De Livio early in the second half. He received a red card for handling the ball on the goal line. Jean-Paul Van Gastel scored from the ensuing penalty kick, but the Dutch could not exploit their advantage and Alessandro Birindelli and Zinedine Zidane scored again for Juventus.

Kosice, the first Slovakian team to qualify for the Champions League, lost 3-0 to visiting Manchester United, the English Champion. Dennis Irwin, United's left back, put his team ahead with a low cross-shot after 30 minutes. Another defender, Henning Berg, scored the second in the 53d minute and striker Andy Cole pounced on a defensive mistake to score United's third in the final minute.

GROUP A Stephane Chapuisat scored the only goal as Borussia Dortmund, the reigning champion, won, 1-0, in Istanbul against Galatasaray. Parma, the Italian league runner up, drew, 0-0, with Sparta in Prague in a match in which 10 players received yellow cards including a second caution of the competition for Parma captain Antonio Benarrivo and Sparta's Miroslav Baranek, who will both be suspended for the next round.

GROUP D Real Madrid brushed aside Rosenborg Trondheim of Norway, 4-1, in Madrid. Christian Pannucci, Ze Roberto, Raul and Fernando Morientes scored for the Spanish champion. Mini Jakobsen scored for the Norwegians. In Athens, Olympiakos, the Greek champion, beat Porto of Portugal, 1-0. Stelios Yannakopoulos scored the goal.

GROUP F Sporting Club of Portugal scored twice in the first eight minutes against Monaco, the French champion, in Lisbon. Oceano scored with a near-post header in the fourth minute and Mustapha Hadji headed in a second goal from close range four minutes later.

Stefan Beinlich scored with a penalty kick in the 40th minute as Bayer Leverkusen, the third German representative in the Champions league, beat visiting Lierse, the champion of Belgium, 1-0.

Zuelle Closing In on Vuelta

Reuters

PONFERRADA, Spain — The defending champion, Alex Zuelle, strengthened his grip on the Tour of Spain on Thursday, two weeks after he had seemingly become resigned to playing little more than a supporting role.

A collarbone fracture had upset the Swiss racer's preparation, but the 12th stage, with its first of four mountain-top finishes, brought out the old Zuelle.

Although Roberto Heras of Spain beat the favorites to the finish line at an altitude of 1,750 meters (5,775 feet) on El Morredero mountain for his first victory in three years as a professional, most eyes were on Zuelle.

Zuelle played a waiting game with his main rivals, his compatriot Laurent Dufaux and Fernando Escartin of Spain. Then, 300 meters from the finish, he opened up to gain six seconds on the second-place Dufaux and three seconds on Escartin.

He finished fifth, 1:36 after Heras, and now leads by 36 seconds over Dufaux, with Escartin 2:17 behind.

Dufaux earned a deduction of two seconds from his overall time for a second-place finish in an intermediate sprint.

"I did not need to work," Zuelle said. "I just had to control the others. I was not afraid because I felt my form was good, and I was not nervous because I only had to watch Dufaux.

"I don't like to talk about winning yet, but the situation is good for me. The race to Covadonga is the most important."

That will take place on Sunday, and will be the fourth mountainous finish in as many days.

U.S. vs. Australia Tops Davis Cup Menu

By Christopher Clarey
Special to the Herald Tribune

WASHINGTON — In the American capital, it will be strength against strength. In the Swedish city of Norrkoping, it will be strength against weakness.

The Davis Cup semifinals begin on Friday, and only one of them has the feel of a classic: Australia vs. the United States. The two nations have played 43 times since this team tennis competition was launched in 1900. The Americans have won 24 of the encounters and the Australians 19. But it has been rare in recent years for the two teams to meet at anything resembling equal strength.

American men have been the dominant force in tennis throughout this decade, but the last time these teams played — in the first round in 1993 in Melbourne — none of the American stars saw fit to make the journey. The Australians responded by making relatively quick work of David Wheaton and Brad Gilbert on grass.

This time, with no oceans to cross and no more Grand Slam tournaments to prepare for this year, the Australians' singles opponents will be world No. 1 Pete Sampras and No. 2 Michael Chang. The contest will be played on hard-courts: the surface that Sampras and Chang were both reared on as adolescents in California. It will be played in a human-scale stadium — a welcome development after the cavernous 23,000-seat Ashe Stadium at the U.S. Open — that is expected to be sold out.

Normally, all this would mean that the Americans would be heavy favorites to reach the final of the event they have won a record 31 times. But the Australians are on a roll. They have Patrick Rafter, only two weeks removed from his stunning victory at the U.S. Open and now ranked third in the world. They have the erratic but gifted Mark Philippoussis, whose powerful serve and high-risk groundstrokes make him capable of beating anyone when focused and motivated.

They have Mark Woodforde and Todd Woodbridge, the world's most successful doubles team with nine Grand Slam titles to their credit.

"This is only my fifth home tie," said Tom Gullikson, who took over as American captain in 1994. "You can take the other four combined, and there hasn't been the excitement that's been generated by this tie against the Aussies."

The last time the world's top three singles players competed in the same tie was in Minneapolis, in 1992, when Sampras, Jim Courier and Stefan Edberg of Sweden played in a semifinal won by the Americans. Though the doubles ranking system has evolved over the years, this appears to be the first time the top three singles players and top doubles team are competing.

"A little slip up, and we'll be there like hungry dogs," Woodforde said recently.

The same cannot be said by the Italians, who will face Sweden on a medium-speed indoor carpet. Italy reached the semifinals for the second consecutive year by upsetting the Spaniards indoors in April, but that has been the only exclamation point in a decidedly lower-case season for Italian players.

Only Renzo Furlan has advanced past the second round in a Grand Slam event. He did so at the Australian Open, and then proceeded to lose in the next round. Furlan is the highest-ranked Italian, and he is only ranked 84th. Omar Camporese, the team's other singles player, is ranked 220th, although he has an excuse (chronic injury problems in his right elbow).

To make matters more unsettling, Adriano Panatta, the Italian captain and former French Open champion whose surprising choice of Camporese helped create the upset of Spain, resigned in July after a series of disputes with the Italian Tennis Federation. The new captain is Panatta's former doubles partner and fellow chain-smoker, Paolo Bertolucci.

He has inherited a poisoned chalice. The Swedes not only have the home-court advantage. They have Jonas Bjorkman, an explosive returner and fine serve-and-volleyer who reached the semifinals of this year's U.S. Open and forms one of the world's top doubles teams with Nicklas Kulti. The Swedes also have Thomas Enqvist, who has been in and out of the top 10 for much of the last three years.

To sum up, Sweden will be in the final (odd things have a habit of happening in Davis Cup, but there are limits). Predicting who will be in the World Group next year is less straightforward. Eight qualifying-round matches will also be played Friday, Saturday and Sunday. The winners will clinch spots in the 16-team World Group for next year.

In Essen, Germany, Boris Becker, who has announced his retirement from Grand Slam singles play, will lead the Germans against the Mexicans on his best surface: an indoor carpet. In New Delhi, Chile's new and oft-naughty star Marcelo Rios will try to eliminate Leander Paes and the Indians on his worst surface: grass.

Two other intriguing matchups: Thomas Muster and the Austrians versus the Black brothers (Wayne and Byron) in Zimbabwe; Brett Steven and the New Zealanders versus Gustavo Kuerten and millions of suddenly tennis-hungry Brazilians.

The last time Kuerten played Davis Cup in Brazil — in February against the United States — he was not yet a star worthy of congratulatory faxes from the national icon, Pele. But men's tennis has been producing new stars at a rapid clip, and this weekend, in many different time zones, in many different temperatures and on many different surfaces, most of them will be sweating for their countries.

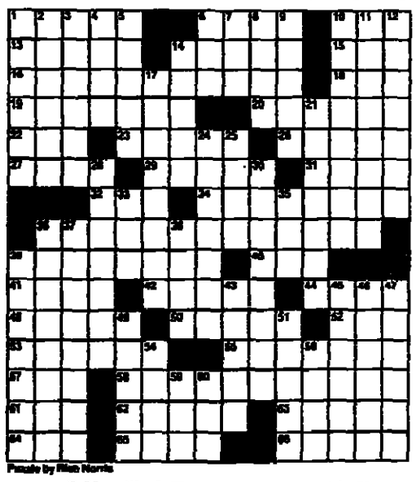
CROSSWORD

ACROSS

1 Gravely ill, once
6 Big name in auto supplies
10 Alphabet trio
13 Damfool thing
14 Machetes
15 Appear indecisive
16 Comics hero since 1947
18 Porter
19 Beers, maybe
20 Request of Rhonda, in a 1965 Beach Boys hit
22 Heavenly route
23 Consider appropriate
26 Have another picture taken
27 Helm of fiction
29 Stop using
31 Left
32 Invoice fig.
34 Unfair
36 Beverly Sills contemporary
39 Tom or Daisy of "The Great Gatsby"
40 1981 Tony winner McKellen
41 North Carolina county on the Blue Ridge Parkway
42 ——Roman
44 Trudge
48 More remote
50 Tanker's cargo
52 Provoke
53 Old nursery song word
55 V.I.P.
57 Wing
58 Subject of a 1930's mystery
61 "Norma ——"
62 Anonym
63 Thunderstorm product
64 A.A.R.P. members
65 Cord fiber
66 Fast times

DOWN

1 F.B.I. sting of the late 70's
2 1962 monster film
3 Like "The Zoo Story," e.g.
4 Guns
5 Stuck
6 Prefix with dairy
7 One of the Khans
8 "Fiddlesticks!"
9 Seven-time Emmy winner
10 Liszt piece
11 Gene Krupe portrayer, 1959
12 Chirped
14 Computer language
17 Ready to break, as a wave
21 Multitudes
24 Certain witticism
25 1880 literary heroine
28 Wolfpack opponent
30 Kind of table
33 Hit song of 1959
35 Overseas Mrs.
38 Powerful
37 Victim of Paris
38 One whose work's a bust
39 Emergency boat workers
43 Salad ingredients, briefly
45 Maker of Wish-Bone salad dressing
46 Break in, so to speak
47 Categories
49 Indian chief
51 Register
54 Winter time
56 Goggle
59 Lower, in a way
60 Break



Puzzle by Rhea Norris

© New York Times/Edited by Will Shortz.

Solution to Puzzle of Sept. 18

S	N	A	P		T	A	P	A		A	F	R	O
L	A	K	E		A	R	U	B	A		J	E	E	P
I	T	I	S		P	A	P	A	S		A	L	O	T
C	U	T	T	H	E	M	U	S	T	A	R	D		
E	R	A	S	E	R			H	U	G		S	C	I
R	E	S			R	E	D	S		T	O	P	P	E	D
			M	A	D	E	T	H	E	G	R	A	D	E
S	H	E	A			M	A	O			O	R	E	S
W	A	S	U	P	T	O	S	N	U	F	F			
A	N	T	L	E	R		H	E	R	O		A	C	U
T	S	E		E	O	S			C	R	A	V	E	N
		F	I	L	L	E	D	T	H	E	B	I	L	L
O	M	A	N		L	E	R	O	I		S	A	T	E
W	I	N	K		S	T	A	I	N		O	T	I	S
E	A	S	Y			O	W	L	S		T	E	C	S

SPORTS

Snub by Ballesteros Irks Ryder Hopeful

By Clifton Brown
New York Times Service

THE CONTROVERSY involving Seve Ballesteros, Miguel Angel Martin and the European team has only increased the intrigue surrounding the Ryder Cup, which tees off next week.

Martin earned enough points to make the team, but because he has an injured wrist, he was replaced by Jose Maria Olazabal, the next-highest qualifier. Martin underwent surgery on his left wrist Aug. 5, and he has not competed since. But instead of giving Martin more time to recover, as he requested, the European Ryder Cup committee announced Sept. 2 that Martin was out, and Olazabal was in.

Martin is furious. He has threatened legal action. And he has blasted Ballesteros, Europe's captain, who is a close friend of Olazabal's.

With Martin off the team, it opened up a spot for Olazabal, and gave Ballesteros the freedom to add both Nick Faldo and Jesper Parnevik as captain's picks. Many people believe that's what Ballesteros wanted all along. If getting Faldo, Parnevik and Olazabal on the team had to come at Martin's expense, so be it.

"They wouldn't have treated Colin Montgomerie the way they treated Martin," said Paul Azinger, who played on the 1991 U.S. Ryder Cup team. "They would've waited as long as they could've to see if Montgomerie could have played. I don't know Martin, but I feel for him."

Martin withdrew from a tournament in England this week and he still doesn't appear fit to play. Yet, his situation could have been handled with more sensitivity. And the furor over his treatment highlighted the delicacy surrounding the captain's picks at a time when Ryder Cup interest is at an all-time high.

Perhaps Europe's selection committee and Ballesteros succumbed to the immense pressure that has become part of the Ryder Cup, which begins Sept. 26 at Valderrama Golf Club in Sotogrande, Spain. This is the first time Spain has been host to a Ryder Cup, and Ballesteros desperately wants to win in his home country. This is also an important tournament for European golf's prestige. Top players like Faldo and Montgomerie have criticized some of the tournaments on the PGA European Tour this year for the poor conditions of the greens.

Montgomerie and Lee Westwood are reportedly considering joining Parnevik as regulars on the PGA Tour in the near future.

With Tiger Woods making his Ryder Cup debut, a record number of television viewers are expected to watch the three-day event, which is generally considered to be the most pressure-packed competition in golf.

The first Ryder Cup was played in 1927, but for most of this century, it was a one-sided competition dominated by the United States that received little worldwide media attention. That changed in 1985, when the United States was defeated for the first time in 28 years.

Ballesteros has set himself up for criticism if Europe loses, particularly if Faldo, Olazabal or Parnevik do not play well. Lanny Wadkins, the 1995 U.S. captain, was criticized after he made Curtis Strange a captain's pick and Strange went 0-3. Faldo has had a poor year by his standards, and Olazabal is still trying to recapture his top form after rheumatoid arthritis in his feet sidelined him for much of 1995 and '96.

"I think Seve is going to put extra pressure on everybody on that team to win," Azinger said.

And because of the Martin affair, an already interesting Ryder Cup has become just a little more intriguing.

McGwire Hits No. 53, the Most Homers Since 1961

The Associated Press

Mark McGwire hit his 53d home run of the season as the St. Louis Cardinals defeated the Cubs in Chicago, 12-9.

McGwire, who signed a three-year, $28.5 million contract with the Cardinals on Tuesday, homered leading off the third inning Wednesday afternoon.

The 53 homers topped his previous best of 52, which he hit last season with Oakland. It also is the most home runs hit by a player in one season since 1961, when Roger Maris hit his record 61 for the New York Yankees and his teammate Mickey Mantle had 54.

McGwire's two-season total of 105 so far is one shy of Jimmie Foxx's major-league record for a right-handed batter, set in 1932-33. McGwire is also only the second player to have back-to-back 50-homer seasons. Babe Ruth did it twice, in 1920-21 and in 1927-28.

As for matching or beating Maris's record, McGwire, who has 11 games left in the season, said: "It's a long shot right now. If I get there, I get there. If I don't, I've still had a pretty good year."

Royce Clayton hit a two-run homer in a five-run first for the Cardinals.

Braves 10, Mets 2 The Braves became the first major-league team to clinch six straight postseason appearances and set a record with their 12th grand slam of the year, using a nine-run first inning to cruise past the visiting Mets.

Ryan Klesko hit the slam, Jeff Blauser added a three-run homer and Greg Maddux picked up his 19th victory for the Braves, who have been in the playoffs in every completed season since 1991 and now are assured of at least a wild-card berth this year.

Phillies 5, Marlins 2; Marlins 5, Phillies 2 Tony Saunders earned his first victory since July 31 to help host Florida salvage a split of their doubleheader with Philadelphia. Saunders (4-6), a rookie who was winless in his last seven starts, allowed four hits and one run in six innings.

Garrett Stephenson and Ricky Bottalico combined on a six-hitter for Philadelphia in the opener.

Expos 4, Reds 1 In Cincinnati, Rondell White hit a three-run homer in the eighth inning as Montreal snapped a four-game losing streak.

White homered off Stan Belinda (1-4) with two outs as the Expos avoided matching their longest losing streak of the season. Montreal has lost seven of its last 11 games.

Astros 9, Pirates 4 In Pittsburgh, the Astros took a big step toward winning their first division title since 1986, backing Shane Reynolds's eight-hit pitching with three homers.

The Astros opened a 4½-game lead in the NL Central over the upstart Pirates.

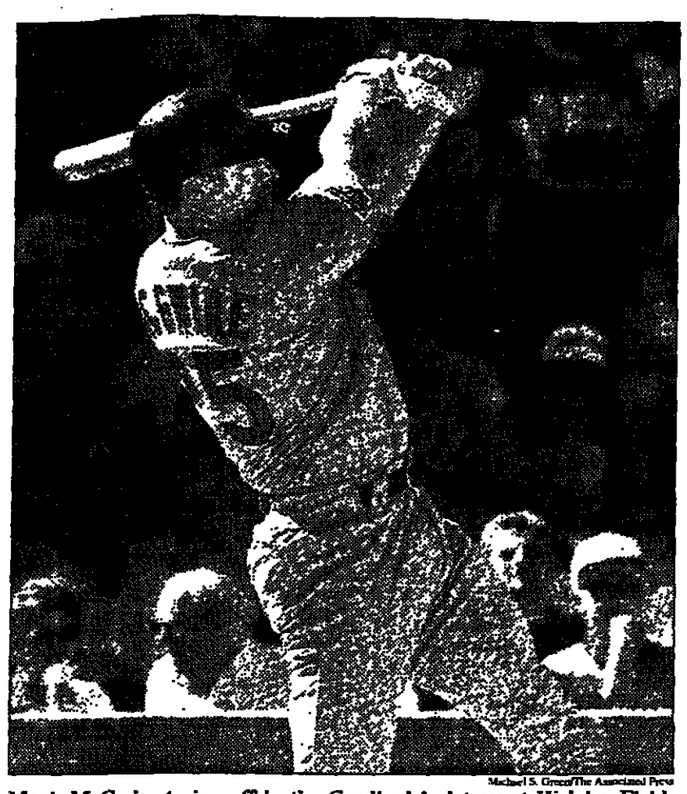
Reynolds (8-10) pitched 8⅓ innings before being chased by Dale Sveum's two-run pinch-hit homer in the ninth.

Giants 2, Dodgers 1 Barry Bonds hit a two-run homer and Kirk Rueter pitched seven strong innings as host San Francisco pulled within one game of the Dodgers, leaders in the NL West.

Bonds's 34th homer was his sixth against the Dodgers this year. After crossing home plate, Bonds blew kisses to the 50,921 fans — who spent much of the night chanting "Beat L.A.!"

Padres 5, Rockies 4 In San Diego, Wally Joyner hit a two-run homer in the sixth inning as the Padres further damaged Colorado's playoff hopes. Larry Walker had two homers and four RBIs for the Rockies, who trail the Dodgers by six games with 10 games left.

NL Roundup



Michael S. Green/The Associated Press

Mark McGwire teeing off in the Cardinals' victory at Wrigley Field.

Yankees Beat Tigers to Pull Within Four Of the Orioles

The Associated Press

Jorge Posada homered and drove in a career-high four runs as the New York Yankees cut Baltimore's AL East lead to four games with a 6-2 victory over Detroit. The Yankees also reduced their magic number to qualify for postseason play to two.

Posada went 3-for-4 with a two-run homer on Wednesday night as the host Yankees matched a season high with their fifth straight victory. Chad Curtis went 4-for-4 and scored three runs, and Paul O'Neill was 3-for-4.

Brewers 8, Orioles 3 In Baltimore, Jeromy Burnitz had three hits and three RBIs as Milwaukee routed Scott Erickson and the slumping Orioles.

Indians 7, Twins 6 Manny Ramirez hit a two-run double in a four-run fifth inning as Cleveland beat host Minnesota to move closer to the AL Central title.

Red Sox 4, Blue Jays 3 Mo Vaughn responded to the boos of the home crowd with a two-run home run in the eighth inning to lead Boston past Toronto. Vaughn, who made it 4-2 with the homer off Dan Plesac, was booed during his first three at-bats in response to his comments that he did not want to return to the Red Sox next season.

White Sox 8, Royals 4 Frank Thomas had a two-run, two-out single in the eighth inning as visiting Chicago beat Kansas City.

Rangers 5, Mariners 4 Lee Stevens hit Norm Charlton's first pitch off the wall for a two-out, two-run double that capped a three-run ninth-inning rally, lifting host Texas past Seattle. Ken Griffey Jr. failed to keep pace with Mark McGwire in the home run race but got his major league-leading 140th RBI.

Angels 6, Athletics 4 Tim Salmon hit a two-run homer and drove in four runs as host Anaheim improved to 11-0 against Oakland this year.

AL Roundup

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
y-Baltimore	92	59	.609	—
New York	88	63	.583	4
Detroit	74	77	.490	18
Boston	74	78	.487	18½
Toronto	71	80	.470	21

CENTRAL DIVISION

Cleveland	81	68	.544	—
Milwaukee	74	75	.497	7
Chicago	74	77	.490	8
Kansas City	61	88	.409	20
Minnesota	61	89	.407	20½

WEST DIVISION

Seattle	84	68	.553	—
Anaheim	79	73	.520	5
Texas	72	80	.474	12
Oakland	61	91	.401	23

y-clinched postseason berth

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
y-Atlanta	94	57	.623	—
Florida	88	63	.583	6
New York	82	70	.539	12½
Montreal	75	76	.497	19
Philadelphia	62	90	.408	32½

CENTRAL DIVISION

Houston	77	74	.510	—
Pittsburgh	73	79	.480	4½
St. Louis	70	81	.463	7
Cincinnati	69	82	.457	8
Chicago	64	88	.421	13½

WEST DIVISION

Los Angeles	84	68	.553	—
San Francisco	83	69	.546	1
Colorado	78	74	.513	6
San Diego	72	80	.474	12

WEDNESDAY'S LINESCORES

AMERICAN LEAGUE

Toronto 100 000 011—3 7 0
Boston 000 000 22x—4 7 3
Henigen, Quantrill (8), Plesac (8) and B. Santiago; Suppan, Corsi (8), Mahay (8), Gordon (9) and Hatteberg. W—Mahay, 3-0. L—Quantrill, 6-7. Sv—Gordon (9). HRs—Toronto, Cruz Jr. (25). Boston, M.Vaughn (39), Cordero (18).
Detroit 000 101 000—2 6 0
New York 126 102 00x—6 15 1
Moehler, Jarvis (5), Duran (7), Gallard (8) and Casanova; Mendoza, Nelson (7), Boehringer (9) and Posada. W—Mendoza, 7-6. L—Moehler, 11-11. HRs—Detroit, Higginson (27). New York, Posada (4).
Milwaukee 200 040 200—8 14 1
Baltimore 002 000 100—3 9 0
D'Amico, Adamson (6), Wickman (8) and Levis; Erickson, Rhodes (5), Br.Williams (7) and Webster. W—D'Amico, 9-6. L—Erickson, 16-7. HRs—Baltimore, RAlomar (11), Webster (7).
Cleveland 100 040 020—7 9 0
Minnesota 002 100 003—6 11 3
J.Wright, A.Lopez (7), Mesa (9) and S. Alomar; Tra.Miller, Fr.Rodriguez (6), Guardado (8), Ritchie (8) and D. Miller. W—Jr.Wright, 8-3. L—Tra.Miller, 0-4. Sv—Mesa (16). HRs—Minn., Lawton 2 (11).
Chicago 022 000 022—8 14 1
Kansas City 103 000 000—4 9 0
Baldwin, Fowlke (8) and Karkovice. Fabregas (8); Rosado, Carrasco (4), Service (7), Bevil (9) and M.Sweeney. W—Baldwin, 12-14. L—Service, 0-2. Sv—Fowlke (2). HRs—Chicago, Durham (10). Kansas City, CDavis (30).
Seattle 100 002 010—4 6 1
Texas 100 001 003—5 11 2
Fassero, Ayala (7), Tiroln (8), Slocumb (9). Charlton (9) and Da.Wilson; Burkett, Patterson (9) and I. Rodriguez. W—Patterson, 10-6. L—Slocumb, 0-9.
Oakland 100 000 201—4 10 0
Anaheim 610 111 00x—9 14 0
Ludwick, Lorraine (2), C. Reyes (4), Monler (6) and Molina, Mayne (8); Watson, James (7), Holtz (7), Percival (9) and Kreuter. W—Watson, 12-10. L—Ludwick, 1-3. HRs—Anaheim, Salmon (32), Hoffins (15).

NATIONAL LEAGUE

St. Louis 501 000 402—12 13 0
Chicago 001 011 204—9 11 1
Morris, Bautista (8), Fossas (9) and DiFelice; Bullsta, R. Myers (1), D. Stevens (4), Bottenfield (6), R. Tolls (7), Pisciotta (7), Patterson (9) and Servais. W—Morris, 11-8. L—Bullsta, 0-5. HRs—St. Louis, Clayton (9), McGwire (19), DiFelice (4). Chicago, Sosa (35), J.Hernandez (6).
Philadelphia 210 000 002—5 10 0
Florida 200 000 000—2 6 1
Stephenson, Bottalico (9) and Lieberthal; L.Hernandez, Cook (8) and C. Johnson. W—Stephenson, 7-6. L—L. Hernandez, 9-2. Sv—Bottalico (31). HR—Florida, Floyd (6).
Second game
Philadelphia 000 010 100—2 9 0
Florida 000 121 00x—5 8 0
M.Leiter, Gomes (6), Ryan (7), Blazier (8) and Estalella; Saunders, Stamler (7), Vosberg (7), Powell (8), Nen (9) and Zaun. W—Saunders, 4-6. L—M. Leiter, 10-16. Sv—Nen (34). HR—Philadelphia, Barron (4).
New York 100 000 100—2 6 2
Atlanta 000 001 00x—10 14 0
B.J.Jones, Y. Perez (1), Acevedo (5), Kashiwada (7) and Pratt. A. Castillo (7); G.Maddux, Clontz (7), C. Fox (8), Ligtenberg (9) and Edd.Perez, G. Myers (9). W—G. Maddux, 19-4. L—B.J.Jones, 14-9. HRs—New York, Huskey (24). Atlanta, Blauser (17), Klesko (24).
Montreal 010 000 030—4 8 0
Cincinnati 100 000 000—1 7 0
M.Valdes, Bullinger (7), Urbina (9) and Chavez; Remlinger, Belinda (8) and Fordyce, Taubensee (8). W—Bullinger, 7-12. L—Belinda, 1-4. Sv—Urbina (27). HR—Montreal, RWhite (24).
Houston 014 001 200—8 15 0
Pittsburgh 000 000 022—4 8 0
Reynolds, B. Wagner (9) and Ausmus; Schmidt, Silva (4), Sodowsky (6), Peters (7), Dessens (8) and Kendall. W—Reynolds, 8-10. L—Schmidt, 9-8. HRs—Houston, Bagwell (41), L. Gonzalez (9), Hidalgo (1). Pittsburgh, A. Martin (12), Sveum (12).
Colorado 300 001 000—4 5 1
San Diego 300 002 00x—5 10 1
Thomson, M. Munoz (7), Leskanic (8) and Manwaring, Je.Reed (7); Ashby, Hoffman (9) and C. Hernandez. W—Ashby, 9-11. L—Thomson, 7-9. Sv—Hoffman (35). HRs—Colorado, L. Walker 2 (47). San Diego, Caminiti (23), Joyner (13).
Los Angeles 000 010 000—1 4 2
San Francisco 200 000 00x—2 3 0
Park, Osuna (8) and Piazza; Rueter, R. Hernandez (8) and B.Johnson. W—Rueter, 13-6. L—Park, 13-8. Sv—R.Hernandez (3). HRs—Los Angeles, Mondesi (27). San Francisco, Bonds (34).

Japanese Leagues

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Yakult	74	45	2	.622	—
Yokohama	65	53	—	.551	8.5
Hiroshima	60	58	—	.508	13.5
Yomiuri	55	67	—	.451	20.5
Hanshin	54	67	1	.446	21.0
Chunichi	52	70	1	.426	23.5

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Seibu	69	48	3	.590	—
Orix	61	52	3	.540	6.0
Kintetsu	60	59	4	.504	10.0
Daiei	56	62	1	.475	13.5
Nippon Ham	54	64	1	.455	15.0
Lotte	50	64	2	.439	17.5

THURSDAY'S RESULTS

CENTRAL LEAGUE

Chunichi 6 Hiroshima 4
Yokohama vs. Yomiuri ppd. rain

PACIFIC LEAGUE

Nippon Ham 9, Orix 2
Lotte vs. Kintetsu, ppd. rain.

BASKETBALL

EuroLeague

GROUP B

Split 72, Turk Telecom Ankara 56

GROUP D

Teamsystem Bologna 80, Alba Berlin 73.

SOCCER

EUROPEAN CHAMPIONS' LEAGUE

GROUP A

Galatasaray 0, Borussia Dortmund 1
STANDINGS: Borussia Dortmund 3; Sparta Prague 1, Parma 1; Galatasaray 0.

GROUP B

Kosice 0, Manchester United 3
Juventus 5, Feyenoord 1
STANDINGS: Juventus 3, Manchester United 3; Kosice 0, Feyenoord 0

GROUP C

PSV Eindhoven 1, Dynamo Kiev 3
Newcastle United 3, Barcelona 2
STANDINGS: Dynamo Kiev 3, Newcastle United 3; Barcelona 0, PSV Eindhoven 0

GROUP D

Olympiakos 1, Porto 0
Real Madrid 4, Rosenborg Trondheim 1
STANDINGS: Real Madrid 3, Olympiakos 3; Porto 0, Rosenborg Trondheim 0

GROUP E

Bayern Munich 2, Besiktas 0
Paris St Germain 3, IFK Gothenburg 0
STANDINGS: Paris St Germain 3, Bayern Munich 3; Besiktas 0, IFK Gothenburg 0

GROUP F

Bayer Leverkusen 1, Lierse 0
Sporting Lisbon 3, Monaco 0
STANDINGS: Sporting Lisbon 3, Bayer Leverkusen 3; Lierse 0, Monaco 0.

EUROPEAN CUP WINNERS' CUP

FIRST ROUND, FIRST LEG

Belshyna Bobruisk 1, Lokomotiv Moscow 2
NK Zagreb 3, Tromso 2.

CYCLING

Tour of Spain

Leading placings in the 142km, 12th stage from Leon to the Alto de El Morredero mountain on Thursday:
1, Roberto Heras, Spain, Kelme, three hours, 23 minutes, and 25 seconds
2, Jose Jimenez, Spain, Banesto, 29 seconds behind
3, Pascal Richard, Switzerland, Casino, 35
4, Pavel Tonkov, Russia, Mapei, 40
5, Alex Zuelle, Switzerland, ONCE, 1:36
6, Fernando Escartin, Spain, Kelme, 1:39
7, Enrico Zaina, Italy, Asics, 1:42
8, Laurent Dufaux, Switzerland, Lotus s. t.
9, Marcos Serrano, Spain, Kelme, 1:48
10, Daniel Clavero, Spain, Estepona
OVERALL: 1, Zuelle 51 hours 25 minutes and 31 seconds; 2, Dufaux, 38 seconds behind; 3, Escartin, 2:17; 4, Yvon Ledanois, France, GAN, 3:27; 5, Serrano, 4:02; 6, Zaina, s.t.; 7, Clavero, 4:22; 8, Heras, 4:53; 9, Claus Moller, Denmark, Estepona, 5:21; 10, Richard 6:02.

CRICKET

ZIMBABWE VS. NEW ZEALAND
FIRST TEST, 1ST DAY
THURSDAY, IN HARARE, ZIMBABWE
Zimbabwe: 205-4

INDIA VS. PAKISTAN
SAHARA CUP
WEDNESDAY, IN TORONTO
Pakistan: 169-3.

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

AL—Elected Phyllis Merhige senior vice president.
ANAHEIM—Signed 3B Troy Glaus to 1-year contract. Recalled RHP Geoff Jeff Edsel, RHP Shad Williams, and INF Chris Pritchett, from Vancouver, PCL.
NEW YORK—Activated DH Cecil Fielder from 15-day disabled list. Added RHP Joe Borowski to the roster.
SEATTLE—Exercised their option on LHP Randy Johnson for 1998 season.
TEXAS—Recalled C Kevin Brown from Oklahoma City, AA.

NATIONAL LEAGUE

MONTREAL—Activated RHP Dave Veres from 15-day disabled list.
ST. LOUIS—Signed 1B Mark McGwire to 3-year contract.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

CLEVELAND—Signed F Cedric Henderson.
DETROIT—Re-signed F Rick Mahorn to 1-year contract.
GOLDEN STATE—Named Bob Staak assistant coach.
LOS ANGELES LAKERS—Signed G Shea Seals.
MIAMI—Signed G-F Todd Day.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

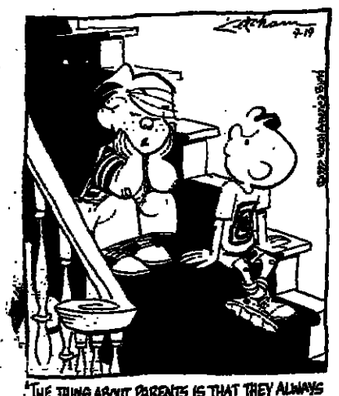
CAROLINA—Re-signed WR Mark Carrier. Waived QB Shane Matthews.
KANSAS—Waived OT Trezelle Jenkins. Signed OT Marcus Spears to 2-year contract.
PHILADELPHIA—Signed S Charles Emanuel to 1-year contract. Released S Tim Watson.
SAN FRANCISCO—Signed S Mike Solmon.
TAMPA BAY—Waived WR Brice Hunter and WR Anthony Ladd.

HOCKEY

NATIONAL HOCKEY LEAGUE

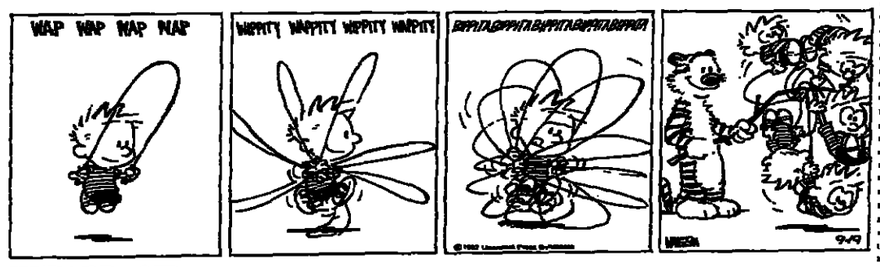
ANAHEIM—Re-signed C Sean Pronger 1-year contract. Acquired RW Scott Young from Colorado Avalanche for 1998 third-round draft pick. Assigned D Byron Briske, C Marc Chouinard, G Chris Mason, RW Craig Reichert, G Blaine Russell, D Lloyd Shaw, and LW Bob Wren to Cincinnati, AHL. Assigned D Kevin Kellett, LW Jay Legault, LW Tony Mahagen, G Luke Baillancourt to their junior teams.
BUFFALO—Assigned LW Daniel Bienvenue, RW Matt Davidson, LW Mark Dutiaume, RW Kurt Walsh, C Mike Zanutto, D Jean-Luc Grand-Pierre, G Michael Boles, G Martin Biron and D Mike Martone to Rochester, AHL. Returned D Alexei Tezikov, C Darren Mortier, RW Jeremy Adduono, C Jeff Martin, D Brian Campbell, RW Maxim Afinogenov, LW Darren Van Oene, G Scott Bohler, RW Ryan Davis and C Francois Methot to their junior teams.
FLORIDA—Assigned LW Dave Duerden, C Herbert Vasiljevs, G Aaron MacDonald, D Mike O'Grady and D Mikael Tjallden to New Haven, AHL, and D David Gerts to Fort Wayne, IHL.

DENNIS THE MENACE



PEANUTS

CALVIN AND HOBBES



GARFIELD

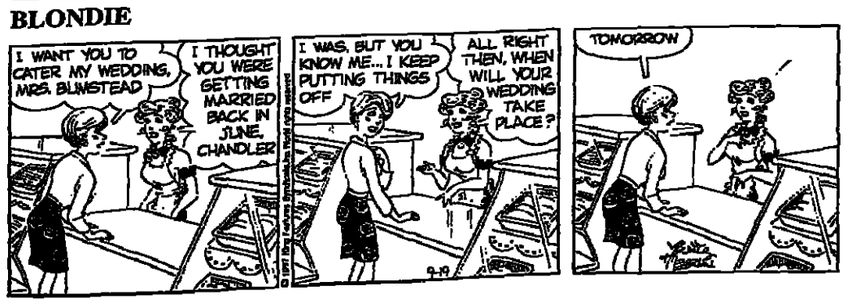
WIZARD of ID

BEETLE BAILEY

NON SEQUITUR

DOONESBURY

BLONDIE

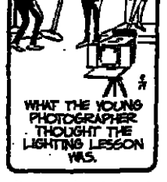


JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

RIMEN
GLUNE
FLUTIP
RUMABI



WHAT THE YOUNG PHOTOGRAPHER THOUGHT THE LIGHTING LESSON WAS.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: _____

(Answers tomorrow)

Yesterday's Jumbles: SOUSE NOISY FEDORA CHROME
Answer: Why the game warden didn't believe his story — IT SEEMED FISHY

Air One
LONDON/STANSTED
MILAN/LINATE
BOOKING OFFICE
06/488800 - 1478/48880

POSTCARD

Japan's Blockbuster

By Kevin Sullivan
Washington Post Service

TOKYO — She's an animated sprite with Princess Jasmine's eyes and Simba's heart — and a stranglehold on Japan's hearts and wallets.

Japan can't get enough of "The Princess Mononoke." More than 400 theaters across the nation are ditching such big-name movies as "Jurassic Park: The Lost World" to show this cartoon feature about a girl raised by wolves in ancient Japan.

Two months after its release, the film has drawn 10 million viewers and is about to break the revenue and attendance records set 15 years ago by "E.T. the Extra-Terrestrial." To meet the massive demand, many theaters are adding 7 A.M. shows and screening the movie seven or eight times a day. Princess Mononoke key chains and stuffed animals and books are selling as fast as they can be manufactured.

And like most big Japanese fads, this one is headed for America. Parents still coping with the Tamagotchi, the electronic pet that swept Japan and has done nearly as well in the United States, might want to note that "The Princess Mononoke" will arrive in the United States next March, when the Walt Disney Co. releases it in the States and Europe.

Nine months ago, thousands of Japanese were lining up before dawn in Ginza to buy a little-known electronic chicken gizmo called a Tamagotchi. These days in the wee hours in Ginza, it's a doe-eyed little princess who has hundreds of people standing in line.

□

Why the film has taken off is anybody's guess. Japanese love the work of filmmaker Hayao Miyazaki, who is almost as famous in Japan as Walt Disney is in the United States. The movie takes place in ancient Japan, a popular setting. Japanese love animation, and "Mononoke's" is exceptional, if still not as sophisticated as that of Disney films.

"The Princess Mononoke" has a strong environmental message: Human beings smelting steel and cutting down forests are despoiling the forest where Mononoke lives with the wolves. The humans have created such ill will with the God of the Mountain and the creatures of the forest that a raging battle ensues.

But most people standing in line at dawn to see the movie said the environmental message was not why they were there. They said they simply wanted to see the latest Miyazaki movie.

Yasuyoshi Tokuma, president of Tokuma Shoten Publishing Co., the film's producer, said the movie's strength comes largely from its appeal to people of all ages. The 7 A.M. show Saturday was packed with children and their parents as well as quite a few people in their 60s or older.

□

The movie is very violent. Heads and arms are lopped off left and right, and blood is splattered about liberally. One of the leading characters takes a musket ball directly through his midsection, and the initial splash of blood and flesh is followed by gobs of blood spilled all over the screen. The wolves and other creatures wounded in fierce battle scenes vomit blood and gunk.

The story is compelling and interesting, but parents who won't let their kids see "Die Hard" might have the same concerns about "The Princess Mononoke," unless it is edited for American audiences.

Yet Mononoke mania continues unabated in Japan. The movie has already grossed about $110 million, and its producers predict that it will break "E.T.'s" all-time records of $137 million in revenue and 12 million viewers by next month.

As the 7 A.M. show let out Saturday morning, lines for the next show were already snaking out of the lobby and down the stairs. People were running up to the box office, looking panicked over whether the show might already be sold out. Vendors selling illustrated storybooks were struggling to keep up. Ayako Iida, 12, came out of the first show with her mother, sister and brother. She looked pleased, even though she said the film was a little scary and hard to understand. But she said the words all moviemakers want to hear:

"I'll definitely recommend it to my friends."

The Grande Dame of Mexican Dance

By Julia Preston
New York Times Service

MEXICO CITY — Amalia Hernandez, who is turning 80 this week, has spent her life culling popular dances from remote regions of Mexico and turning them into foot-stamping show numbers. But now, in search of steps for her Christmas pageant, she has become more ambitious.

"I want to be sent a light from above to tell me how the archangels dance up there, so I can get them to dance down on earth," Hernandez said, explaining what she calls the "euphoric" mix of spiritual reflection and anthropological field work that goes into her dances.

"I always ask to be sent a light from above," she said, in a deceptively mild voice for a woman whose strength of will is legendary. "I believe that the spirits are in contact with us."

Most of the dances Hernandez created under the guidance of her religious spirits are famously secular. The sole choreographer and central moving force of the Ballet Folklorico de Mexico, she designed rowdy chorus lines of mariachis uniformed in silver-trimmed sombreros and tight black pants. She conceived parades of grim-faced revolutionary soldier-women in pink satin petticoats with bullet-belts strapped across their chests.

In Mexico some of Hernandez's dances, which have been seen by generations of schoolchildren and tourists, are so familiar that the public forgets they are the work of one artist. Her company, now in its 45th year, remains remarkably popular and stable.

For 30 years the Ballet Folklorico has played at least three times a week in the Palacio de Bellas Artes, the grand national theater in downtown Mexico City. A traveling company has toured the United States every year for the last decade.

Hernandez has long been a magnet for controversy and reproach. Anthropologists accuse her of distorting and cheapening folk art. Foreign choreographers regard her dances, drawn from village street fiestas and Indian rituals, as second class. She is too close to the government, critics say, and too partial to foreign tourists.

The grande dame of Mexican dance said she was never indifferent to the attacks. But she remains confident that she has one ability none of her detractors can claim: She knows how to put on a show.

Phillippe Diederich-Thew New York Times

Amalia Hernandez, the 80-year-old founder of the Ballet Folklorico de Mexico.

"I am more creative than the anthropologists."

David Rojas, an anthropologist and dancer at the University of California at Santa Barbara, agreed, recalling her adaptation of a dance from the Yaqui Indians of Sonora, a desert state in northwest Mexico. The Yaqui hold deer to be sacred animals, representations of God. He recalled that in her adaptation "she kills the deer."

He added: "That was her stroke of genius. In Yaqui belief, you do not kill God. I know the maestro in Sonora who taught her the dance. He is still mad."

But Rojas, who described the authenticity of Hernandez's dances as "nil," acknowledged that the deer's death, by a hunter's arrow, gives the monotonous Yaqui dance an engaging plot line that continues to delight audiences.

Lately Hernandez has retreated to her "island," a labyrinthine home on a hillside above Mexico City. She handed down the direction of the company to a daughter and a grandson. She uses her time making dances, going through the moves "with my imagination," since her bones are no longer willing, using a deep concentration she learned from studying yoga.

As she recounted her methods, her shoulder ached, and she raged at the clumsiness of a pair of plaid flannel bedroom slippers in which she was forced to tuck her swollen feet, injured in a recent fall.

She admitted that she has added her own ingredients to her later choreography with a growing disregard for orthodoxy. Purists are especially irritated by her recreations of Mexico's pre-Columbian past. "In the Maya region, I went with a photographer and a dancer to copy the positions on the stone stelae," Hernandez said. "Then I received a light. How else would I know how the Mayas danced?

"One of their gods was named Onichac. The god Onichac is not in any book that I have found. But I am sure I heard the name Onichac. Where did it come from? From my concentration.

"My concentration either receives or it invents. Either way is all right, don't you think?"

Her company has endured, she acknowledges, in part because of its links to the steady but monolithic political system that ruled Mexico for most of this century. The images she presents do nothing to jar the portrait of a progressive Mexico, kind to all its cultures, which successive presidents sought to project. Her most daring dance involves a writhing skeleton who wrecks a rural wedding.

But in becoming a quasiofficial institution (the company receives no state subsidies), the Ballet Folklorico spawned a thriving folk-dance movement that is busy combing Mexico for grass-roots steps to use and preserve. The ballet opened its own school in Mexico City and has sent many dancers back to the provinces to open local academies of their own.

Through these spinoffs Hernandez's choreography has become a kind of folk art in itself. Folkloric dances that children learn in the provinces are often steps that she choreographed.

The movement also spilled over into the United States. Rojas said that in the Los Angeles area alone there are more than 2,000 Mexican folkloric dance groups.

"The language of Amalia's dance is obsolete in Mexico," said Maira Ramirez, an anthropologist who heads the National School of Folk Dance, a rival academy. "It doesn't propose anything new. But her dances have great currency among Mexicans living outside of their country who are asking themselves: 'Who am I? What am I doing here?' "

Hernandez believes her dances have tapped a nationalist essence that cannot become stale. "I go to the core of Mexico," she said.

MOVIES

Shooting the Saga of China's Famed Soong Sisters

By Joan Dupont
International Herald Tribune

TORONTO — Mabel Cheung and Alex Law, Hong Kong directors, became Canadian citizens last week, during the Toronto festival. "We turned Canadian so that we can be treated like foreigners at home," Law said. "It will make certain things easier."

Law wrote and produced "The Soong Sisters," which was directed by his wife, Cheung. The two, who met at NYU film school 15 years ago, work as a team. "Sometimes I write and produce and he directs," Cheung said.

Shooting the saga of the famous sisters took only three and a half months on location in China, but the $5 million film was nearly five years in the making. "Two years to raise the money, a year and a half on research, and another year and a half dealing with the censors," Cheung said. "When I was finished, I swore I'd never make another film in China, but China has amazing stories, actors and locations."

Michelle Yeoh as Ai-Ling, Maggie Cheung as Qingling and Vivien Wu, Mei-ling.

The story of three beautiful sisters, born under the Qing Dynasty, starts in a childhood free of the crippling conventions of the age. They never had their feet bound, they studied in America, spoke to each other in English, and when they returned to China they found "a place they couldn't understand, and a country that couldn't understand them," Cheung said.

Qingling (played by Maggie Cheung) married Sun Yat-sen, who set up the Kuomintang government; she became a heroine of Communist China. Mei-ling (Vivian Wu) married Chiang Kai-shek. Ai-Ling (Michelle Yeoh), who married the finance minister, became fabulously wealthy. After the civil war, the sisters never saw each other again. Mei-ling, Chiang Kai-shek's widow, who lives in the United States, is 98, and the director hopes to show her the film this winter.

"Stars cost money, but I needed them, and to play their father, Charlie Soong, I took Jiang Wen, China's top actor," she said. "These women got their strength from the father, a very unconventional man, a Methodist missionary who had lived in the United States, and he raised his daughters like sons. He also had three sons, but I had no time for them in this movie."

The director, 41, says nothing has changed in Hong Kong, "not yet," since the handover this summer, yet she has dropped the name Mabel, and is now called Cheung Yuen-ting.

She was born in Hong Kong, and when she was growing up there were no women directors, only "macho men smoking cigars with their chair boy running around the set after them."

"My mother would never have dreamed of me becoming a director," Cheung said. "She wanted me to be a lady, and wear high heels. But since my father died, I became head of the household. And by the end of the '70s, filmmaking changed: New Wave directors like Ann Hui, Tsui Hark, and Yim Ho were making films on location about real people."

Cheung moved to England where she studied at Bristol University and worked on BBC documentaries, and in 1982, she entered NYU film school. "It was New York City that appealed to me," she said. "You can learn technique anywhere, but I wanted an exciting city where you can get inspiration."

She and Law lived in Chinatown on egg sandwiches and worked at a video store. "Alex duplicated the videos, I was front desk manager, and got to know the locals — illegal immigrants and gangsters. It was a fun time. I made my thesis film, 'The Illegal Immigrant,' with my new friends acting their own parts." The 1984 film won awards in Hong Kong and Tokyo.

"An Autumn's Tale" was made in 1986, and in 1989, Cheung concluded her trilogy on immigrants with "Eight Taels of Gold," a film that took her to China for the first time.

"It was very traumatic because it was a place I didn't understand and they found me strange; also, I was supposed to call this country my homeland in a few years. So I began to study Chinese history and came upon the Soong sisters. I think their background has so much in common with our own."

Historical films made in China belong to the category of "Important and Sensitive Issues," she said. "The chairman was a very open-minded man and once they gave approval, they gave all their support — the liberation army, the tanks, the battleships, the sisters' Shanghai residences. I finished editing at the end of 1995, but by then, the personnel had changed and the party wanted a tighter grip on the media, especially on film. They cut the movie's entire ending — a shot of Qingling and Mei-ling sharing a parachute — it was too beautiful, it wasn't historically correct. They wanted to end on a title, 'The Sisters Never Met Again,' but that's no ending.

"I went back to China the winter of '96 . . . . I sat outside the office for a week until a female comrade took pity on me and introduced me to her boss, who said, there's no appeal in China, and if they do open the case, they may find other problems and you'll lose your film. But I didn't want to face the audience with this film so I took the gamble, and step by step, I got to the head; he told me I couldn't have my ending back. I asked to cut a new ending with shots I had on video. 'We don't deal with video,' he said. 'we deal with film.' And my new friend, the female comrade, said, 'You've won, now run back to Hong Kong as fast as you can, and make your new ending.' So there are people who care about film, who went to trouble for me — maybe China is changing."

PEOPLE

THE Italian designer **Gianni Versace** left his share of the fashion empire he created to his 11-year-old niece, **Allegra Beck**, but the legacy will not change the way the business is run, his brother and sister said. Allegra, whom Versace called "my princess," now becomes the biggest shareholder in the multimillion-dollar fashion empire. The designer's brother and sister, Santo and **Donatella Versace**, said that Allegra's share would be managed "in mutual agreement by her parents, Donatella Versace Beck and **Paul Beck**, together with her uncle Santo Versace." Versace's will left his art collection to Allegra's 8-year-old brother, **Daniel**, and stipulated that his long-time companion, **Antonio D'Amico**, should receive a monthly sum of 50 million lire ($29,000) and the right to live in the designer's homes around the world, news reports said.

□

The wife of **Michael Jackson** is expecting a second child, due in December, the British tabloid The Mirror reported. Jackson and **Debbie Rowe** have one child, a son named **Prince**, born in February.

□

Disappointed in lagging ticket sales and a lack of corporate support, the organizers of Farm Aid '97 have announced that the Oct. 4 fund-raising concert has been moved from Texas Stadium to a Chicago suburb. The event now is scheduled for the 30,000-seat New World Music Theatre in Tinley Park, Illinois. Two weeks ago, **Willie Nelson** and the Dallas Cowboys' owner, **Jerry Jones**, announced plans for the concert at Texas Stadium in Irving, for which they had hoped to sell 50,000 tickets. "What we do is just look at our costs vs. the sales of tickets. It just wasn't there in Dallas," said **Harry Smith**, program director for the Boston-based Farm Aid.

□

"I've played in front of a lot of people in the last 42 years: coal miners, convicts, railroad engineers, lawmakers, presidents. It's the music that takes me there and the music that keeps me going," **Johnny Cash** told a House Judiciary subcommittee Wednesday in his debut as a congressional witness. Cash was lobbying the subcommittee for treaties that will protect American recording and creative product copyrights on the Internet.

□

A new biography by **Jorge Castaneda** says **Ernesto (Che) Guevara**, the revolutionary icon of the 1960s, died during a guerrilla insurrection in Bolivia because his Cuban backers dropped their support under Soviet pressure. In the biography, the Mexican author says that a Soviet leadership seeking détente with the United States in 1967 was unhappy that **President Fidel Castro** had dispatched his former right-hand man to instigate rebellion in Bolivia. The English-language version of the biography, "Companero: The Life and Death of Che Guevara," is scheduled to be released by Alfred A. Knopf on Oct. 9, the 30th anniversary of Guevara's death.

□

She says he's a groupie nursing a grudge since he was booted from **Elvis Presley**'s inner circle nearly 40 years ago. He says she's desperately trying to sustain the myth she was Presley's virginal bride. **Priscilla Presley** and **Lavern Currie Grant** are taking their fight to court in two lawsuits. Priscilla Presley sued Grant, a former army buddy of Presley's, for $10 million over his claim that he had slept with her before she met Presley. Grant filed a $5 million countersuit, saying she defamed him by claiming that he tried to rape her in the 1950s.

David McLain/The Associated Press

LAWN TRIPPER — Ryan Tripp, 12, of Utah, tooling down a Maine highway in his attempt to break the Guinness record for longest ride on a lawn mower.

Every country has its own AT&T Access Number which makes calling home or to other countries really easy. Just dial the AT&T Access Number for the country you're calling from and you'll get the clearest connections home. And be sure to charge your calls on your AT&T Calling Card. It'll help you avoid outrageous phone charges on your hotel bill and save you beaucoup de francs (up to 60%*). Check the list for AT&T Access Numbers.

Steps to follow for easy calling worldwide:

1. Just dial the AT&T Access Number for the country you are calling from
2. Dial the phone number you're calling.
3. Dial the calling card number listed above your name.

AT&T Access Numbers

EUROPE	
Austria●○	022-903-011
Belgium●	0-800-100-10
France	0-800-99-0011
Germany	0130-0010
Greece●	00-800-1311
Ireland□	1-800-550-000
Italy●	172-1911
Netherlands●	0800-022-9111
Russia●▲(Moscow)●	755-5042
Spain	900-99-00-11
Sweden	020-795-611
Switzerland●	0800-89-0011
United Kingdom▲	0500-89-0011 or 0800-89-0011
MIDDLE EAST	
Egypt●(Cairo)+	510-0200
Israel	177-100-2727
Saudi Arabia○	1-800-10
AFRICA	
Ghana	0191
South Africa	0-800-99-0123

Can't find the Access Number for the country you're calling from? Just ask any operator for AT&T Direct® Service, or visit our Web site at http://www.att.com/traveler

AT&T